

112TH CONGRESS }
2d Session

HOUSE OF REPRESENTATIVES

{ REVIEW NO.
11-7565

**OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF
REPRESENTATIVES**

Report and Findings

Transmitted to the
Committee on Standards of Official Conduct
on February 9, 2012
and released publicly pursuant to H. Res. 895 of the
110th Congress as amended



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REPORT

REVIEW NO. 11-7565

The Board of the Office of Congressional Ethics, by a vote of no less than four members, on January 27, 2012, adopted the following report and ordered it to be transmitted to the Committee on Ethics of the United States House of Representatives.

SUBJECT: Representative Vern Buchanan

NATURE OF THE ALLEGED VIOLATION: Representative Vern Buchanan's former business partner claims that Representative Buchanan made a \$2.9 million lawsuit settlement agreement contingent on the business partner signing a false affidavit to be filed with the Federal Election Commission ("FEC"). The affidavit was related to allegations that individuals who contributed to Vern Buchanan for Congress received reimbursements from automobile dealerships owned by Representative Buchanan.

If Representative Buchanan attempted to influence the testimony of a witness in a proceeding before the FEC in the manner alleged, he may have violated 18 U.S.C. §§ 201, 1505, and 1512, and House Rule 23, clause 1.

RECOMMENDATION: The Board of the Office of Congressional Ethics recommends that the Committee on Ethics further review the above allegations because there is substantial reason to believe that Representative Buchanan attempted to influence the testimony of a witness in a proceeding before the FEC in violation of 18 U.S.C. §§ 201, 1505, and 1512, and House Rule 23, clause 1.

VOTES IN THE AFFIRMATIVE: 6

VOTES IN THE NEGATIVE: 0

ABSTENTIONS: 0

MEMBER OF THE BOARD OR STAFF DESIGNATED TO PRESENT THIS REPORT TO THE COMMITTEE ON ETHICS: Omar S. Ashmawy, Staff Director & Chief Counsel.

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FINDINGS OF FACT AND CITATIONS TO LAW

Review No. 11-7565

On January 27, 2012, the Board of the Office of Congressional Ethics (the “Board”) adopted the following findings of fact and accompanying citations to law, regulations, rules, and standards of conduct (*in italics*).

The Board notes that these findings do not constitute a determination that a violation actually occurred.

I. INTRODUCTION

1. On October 2, 2008, Representative Buchanan’s attorney sent to Representative Buchanan’s Former Business Partner a seven-page Confidential Settlement Communication. The settlement was related to various legal disputes between Representative Buchanan and Former Business Partner concerning their automobile dealerships.

2. The settlement agreement was signed by Representative Buchanan and included an affidavit for Former Business Partner’s signature. The affidavit concerned reimbursements given to individuals who contributed to Representative Buchanan’s campaign committee, Vern Buchanan for Congress.

3. The affidavit required Former Business Partner to state that, prior to September 2008, he had no knowledge of any reimbursements given to individuals who contributed to Vern Buchanan for Congress. The affidavit also required him to consent to Representative Buchanan filing the sworn statement with the Federal Election Commission (“FEC”).

4. Former Business Partner refused to sign the affidavit because he said it was not true. Former Business Partner claims that Representative Buchanan continued to pressure him to sign the affidavit and he continued to refuse to sign.

A. SUMMARY OF ALLEGATIONS

5. Representative Buchanan’s former business partner claims that Representative Buchanan made a \$2.9 million settlement agreement contingent on Former Business Partner signing a false affidavit. The affidavit was to be filed with the FEC. If Representative Buchanan attempted to influence the testimony of an individual in proceedings before the FEC, he may have violated federal law and House rules.

6. The Board finds that there is substantial reason to believe that Representative Buchanan violated 18 U.S.C. §§ 201, 1505, and 1512, and House Rule 23, clause 1, by attempting to influence his Former Business Partner’s sworn statement to be filed with the FEC.

B. JURISDICTIONAL STATEMENT

7. The allegations that are the subject of this review concern Representative Vern Buchanan, a Member of the United States House of Representatives for the 13th District of Florida. The Resolution the United States House of Representatives adopted creating the Office of Congressional Ethics (“OCE”) directs that “[n]o review shall be undertaken . . . by the board of any alleged violation that occurred before the date of adoption of this resolution.”¹ The House adopted this Resolution on March 11, 2008. Because the conduct under review occurred after March 11, 2008, the OCE has jurisdiction in this matter.

C. PROCEDURAL HISTORY

8. The OCE received a written request for a preliminary review in this matter signed by at least two members of the Board on September 28, 2011. The preliminary review commenced on September 29, 2011.² The preliminary review was scheduled to end on October 28, 2011.

9. At least three members of the Board voted to initiate a second-phase review in this matter on October 28, 2011. The second-phase review commenced on October 29, 2011.³ The second-phase review was scheduled to end on December 12, 2011.

10. The Board voted to extend second-phase review for an additional period of fourteen days on December 2, 2011. The second-phase review ended on December 26, 2011.

11. The Board voted to refer the matter to the Committee on Ethics and adopted these findings on January 27, 2012.

12. This report and findings were transmitted to the Committee on Ethics on February 9, 2012.

D. SUMMARY OF INVESTIGATIVE ACTIVITY

13. The OCE requested and received testimonial and, in some cases, documentary information from the following sources:

- (1) Buchanan Automotive Group Chief Financial Officer;
- (2) Former Business Partner;
- (3) Hyundai of North Jacksonville Chief Financial Officer;
- (4) Hyundai of North Jacksonville Comptroller;
- (5) Sarasota Ford Finance Director;
- (6) Venice Nissan Dodge Finance Manager 1;
- (7) Venice Nissan Dodge Finance Manager 2; and
- (8) Venice Nissan Dodge Finance Director.

14. The following individuals consented to an interview with the OCE, but declined to produce documents in response to Requests for Information and were determined to be non-cooperating witnesses:

- (1) Shelby Curtsinger, Co-Owner, Venice Nissan Dodge; and

¹ H. Res. 895, 110th Cong. § 1(e), as amended (the “Resolution”).

² A preliminary review is “requested” in writing by members of the Board of the OCE. The request for a preliminary review is “received” by the OCE on a date certain. According to the Resolution, the timeframe for conducting a preliminary review is thirty days from the date of receipt of the Board’s request.

³ According to the Resolution, the Board must vote on whether to conduct a second-phase review in a matter before the expiration of the thirty-day preliminary review. If the Board votes for a second-phase, the second-phase begins when the preliminary review ends. The second-phase review does not begin on the date of the Board vote.

(2) Dennis Slater, Chief Operating Officer, Buchanan Automotive Group.

15. The following individuals declined to produce documentary and testimonial information in response to Requests for Information and were determined to be non-cooperating witnesses:

- (1) Representative Vern Buchanan;
- (2) Don Caldwell, Sales Manager, Venice Nissan Dodge;
- (3) Kenneth Lybarger, Comptroller, Suncoast Ford;
- (4) Gary Scarbrough, Co-Owner, Suncoast Ford; and
- (5) John Tosch, President, 1099 Management Co., LLC.

II. REPRESENTATIVE BUCHANAN'S FORMER BUSINESS PARTNER WAS ASKED TO SIGN A FALSE AFFIDAVIT TO BE FILED WITH THE FEC DURING SETTLEMENT NEGOTIATIONS WITH REPRESENTATIVE BUCHANAN

A. LAW, REGULATIONS, RULES, AND STANDARDS OF CONDUCT

18 U.S.C. § 1505

16. Pursuant to 18 U.S.C. § 1505, “[w]hoever corruptly, or by threats or force, or by any threatening letter or communication influences, obstructs, or impedes or endeavors to influence, obstruct, or impede the due and proper administration of the law under which any pending proceeding is being had before any department or agency of the United States, or the due and proper exercise of the power of inquiry under which any inquiry or investigation is being had by either House, or any committee of either House or any joint committee of the Congress . . . [s]hall be fined under this title, imprisoned not more than 5 years . . . or both.”

18 U.S.C. § 1512

17. Pursuant to 18 U.S.C. § 1512, “[w]hoever knowingly uses intimidation, threatens, or corruptly persuades another person, or attempts to do so, or engages in misleading conduct toward another person, with intent to— influence, delay, or prevent the testimony of any person in an official proceeding . . . shall be fined under this title or imprisoned not more than 20 years, or both . . . [w]hoever corruptly . . . obstructs, influences, or impedes any official proceeding, or attempts to do so, shall be fined under this title or imprisoned not more than 20 years, or both.”

18 U.S.C. § 201

18. Pursuant to 18 U.S.C. § 201(b)(3), “[w]hoever . . . directly or indirectly, corruptly gives, offers, or promises anything of value to any person, or offers or promises such person to give anything of value to any other person or entity, with intent to influence the testimony under oath or affirmation of such first-mentioned person as a witness upon a trial, hearing, or other proceeding, before any court, any committee of either House or both Houses of Congress, or any agency, commission, or officer authorized by the laws of the United States to hear evidence or take testimony, or with intent to influence such person to absent himself therefrom . . . shall be fined under this title or not more than three times the monetary equivalent of the thing of value, whichever is greater, or imprisoned

for not more than fifteen years, or both, and may be disqualified from holding any office of honor, trust, or profit under the United States.”

House Rule 23, clause 1

19. Under House Rule 23 clause 1, Members “shall behave at all times in a manner that shall reflect creditably on the House.”

B. REPRESENTATIVE BUCHANAN ASKED HIS FORMER BUSINESS PARTNER TO SIGN AN AFFIDAVIT TO BE SUBMITTED TO THE FEDERAL ELECTION COMMISSION

20. On October 2, 2008, Representative Buchanan’s attorney, Roger Gannam, emailed a “Revised Binding Settlement Term Sheet” to Former Business Partner’s attorney, James H. Post.⁴ The stated purpose of the letter was to “resolve existing claims among [the parties] with respect to all past and current business relationships.”⁵

<p align="center">Lindell & Farson, P.A. <i>Attorneys and Counselors at Law</i> 12778 Sawgrass Boulevard, Suite 110 Jacksonville, FL 32225-9639 Telephone: (904) 886-1100 Fax: (904) 886-0012</p>		<p>Sam Kazran c/o James H. Post, Esquire October 2, 2008 Page 5 of 5</p>
<p>J. Michael Lindell Board Certified by the Florida Bar in: Civil Trial and Business Litigation Law [Redacted] jml@lindellfarson.com</p>	<p>R. Howard Wakua [Redacted] [Redacted] Roger K. Gannam [Redacted] [Redacted]</p>	<p>SAM KAZRAN Individually and on behalf of Premier Avenue, Premier Atlanta, Premier Properties, Gateway, I.L.C., H.I.C.E., I.L.C. and all other businesses and entities controlled by him</p>
<p>James A. Farson also admitted to Kentucky [Redacted]</p>	<p>October 2, 2008</p>	<p>1099 MANAGEMENT CO., LLC By: [Redacted] VERNON G. BUCHANAN</p>
<p>Via e-mail to: [Redacted]@smithhuber.com Sam Kazran c/o James H. Post, Esquire Smith Huber & Bussey 225 Winter Street, Suite 1800 Jacksonville, FL 32202</p>	<p>CONFIDENTIAL SETTLEMENT COMMUNICATION</p>	
<p>RE: REVISED Binding Settlement Term Sheet</p>		
<p>Dear Mr. Kazran:</p>		
<p>The purpose of this letter is to confirm the terms upon which our clients have agreed to resolve existing claims among them with respect to all past and current business relationships.</p>		
<p>The core terms agreed upon are as follows:</p>		
<p>1. Within 48 hours of the complete execution of this agreement, 1099 Management Co., LLC, a Florida limited liability company ("1099") will place into escrow with the law firm of Lindell & Farson, P.A. the total sum of \$3.9 million (the "Escrow Amount") to be applied as provided below.</p>		
<p>2. Of this amount, \$1.1 million will be paid by 1099 as closing for the purchase of the assets of Premier Automotive on Atlanta, LLC ("Premier Atlanta"), Premier Automotive at the Avenues, LLC ("Premier Avenues") and Premier Properties on Atlanta, LLC ("Premier Properties") including, but not limited to, all rights of those companies to conduct business as a Kia dealership in the addresses of 9401 Atlanta Blvd. and 10845 Phillips Highway, Jacksonville, Florida and specifically including all real estate, parts inventory, fixed assets and all new, previously undelivered, 2008 Kia automobiles (with less than 5,000 miles thereon), title and clear of all claims and encumbrances whatsoever.</p>		
<p>3. The conditions to the closing upon 1099's purchase of the foregoing assets are:</p>		

21. Among other things, the settlement agreement provided that Representative Buchanan’s company, 1099 Management Co., LLC, would transfer \$2.9 million to certain dealerships owned by Former Business Partner and retire the debts of other dealerships.⁶

22. In return, the agreement required Former Business Partner, within 48 hours of execution of the agreement, to “cause all existing litigation against Vernon G. Buchanan (‘Buchanan’), 1099 and any of their affiliated businesses or entities to be immediately dismissed with prejudice and within that same time frame will furnish a copy of the notices of dismissal that have been forwarded to the respective courts for filing.”⁷

⁴ Letter from Roger Gannam, Counsel for Representative Buchanan, to Former Business Partner, dated October 2, 2008 (“Binding Settlement Term Sheet”) (Exhibit 1 at 11-7565_0002-0008).

⁵ *Id.* at 11-7565_0002.

⁶ *Id.* at 11-7565_0002-0003.

⁷ *Id.* at 11-7565_0003.

23. Also, pursuant to the agreement, Representative Buchanan would release Former Business Partner “and his affiliated interests from all claims other than those contemplated by this agreement.”⁸

Affidavit for the Federal Election Commission

24. The agreement provided that “further conditions to the disbursement of the [\$2.9 million]” required Former Business Partner’s “execution of the Affidavit attached hereto as Exhibit A.”⁹

Affidavit of Sam Kazran a/k/a Sam Khazrwan	
<p>I, Sam Kazran, under penalty of perjury, state that to the best of my knowledge:</p> <ol style="list-style-type: none"> I have been the person in charge of the operations of the automobile dealerships known as Premier Dodge (“Premier Dodge”) which is owned by Gwinnett, LLC, a Florida limited liability company and Hyundai of North Jacksonville (“Hyundai”) owned by 11-2001 LLC, a Florida limited liability company, during all periods relevant to the matters set forth below. Vernon G. Buchanan (“Buchanan”), directly or indirectly through 1999 Management Co., L.L.C., a Florida limited liability company, had an economic ownership in each dealership, although Buchanan’s economic arrangements, and continuity of ownership, in each dealership changed over the years of my involvement. Due in part to the economic circumstances that existed in the automobile industry, each of these dealerships experienced a financial downturn, and certain amounts that I, or the respective dealership, owed Buchanan or entities controlled by him were delinquent in payment, and the relationship between Buchanan and me deteriorated because of such delinquencies, commencing primarily in early 2008. During the course of tense and somewhat hostile negotiations between my lawyers and me, and representatives for Buchanan, I advised a representative of Buchanan that one or more of the dealerships of which I was in operational control had reimbursed certain individuals who had contributed to the Buchanan for Congress campaign. Before September, 2008 neither I, nor to my knowledge, any other person who had ever advised Buchanan or any of his representatives had any information that one or both of the dealerships referred to in 1 above reimbursed certain individuals for contributions made to the Vernon G. Buchanan for Congress campaign. Since my relationship with Buchanan first commenced, I attended various meetings of other general managers or “partners” of Buchanan who were involved in other dealerships in which Buchanan, or companies controlled by him, had a direct or indirect ownership interest. At no time was there any statement or any form of encouragement to make a campaign contribution based upon a threat of job discrimination, financial reprisal, or other detriment for failure to make a contribution discussed, disseminated or suggested by Buchanan, a Buchanan representative or anyone under his or their direction. Furthermore, there never was a discussion, statement or other action which would have implied that a person who made a contribution to the Vernon G. Buchanan for Congress campaign would be reimbursed by someone or would receive a special benefit. No one has advised me that Buchanan or any representative of his knew of any intention, plan or arrangement by anyone to make a reimbursement, directly or indirectly, to a person in exchange for making a contribution to the Buchanan for Congress campaign. <p style="text-align: center;">1</p> <p style="text-align: center;">EXHIBIT A</p>	<p>8. I consent to Buchanan filing this Affidavit with the Federal Election Commission and using information contained herein in connection with campaign for re-election matters.</p> <p>Sam Kazran</p> <p>STATE OF _____</p> <p>COUNTY OF _____</p> <p>The foregoing instrument was acknowledged before me this ____ day of October, 2008, by Sam Kazran. He is personally known to me or has produced _____ as identification.</p> <p style="text-align: center;">(SEAL)</p> <p>Notary Public-State of _____</p> <p>Commission Number: _____</p> <p>4 584606_01</p> <p style="text-align: center;">2</p> <p style="text-align: center;">EXHIBIT A</p>

25. Exhibit A of the settlement agreement was an affidavit titled “Affidavit of Sam Kazran a/k/a Sam Khazrwan.”¹⁰

26. The affidavit stated that “[d]uring the course of tense and somewhat hostile negotiations between my lawyers and me, and representatives for Buchanan, I advised a representative of Buchanan that one or more of the dealerships of which I was in operational control had reimbursed certain individuals who had contributed to the Buchanan for Congress campaign.”¹¹

27. The affidavit consisted of eight paragraphs. Former Business Partner was to sign the affidavit, under the penalty of perjury, swearing that it was true to the best of his knowledge.¹²

28. Finally, the affidavit required Former Business Partner to consent “to Buchanan filing this Affidavit with the Federal Election Commission”¹³

29. Former Business Partner told the OCE that he signed the Revised Binding Settlement Agreement, but did not sign the affi-

⁸Id. at 11-7565_0005.

⁹Id.

¹⁰Id. at 11-7565_0007-0008.

¹¹Id. at 11-7565_0007.

¹²Id.

¹³Id. at 11-7565_0008.

davit.¹⁴ He said that after he signed the Revised Binding Settlement Agreement, Representative Buchanan called him to congratulate him and invite him to dinner to celebrate with him and John Tosch.¹⁵ Mr. Tosch is the President of Representative Buchanan's company, 1099 Management Co., LLC and one of the parties to the settlement agreement.¹⁶

30. According to Former Business Partner, Representative Buchanan asked him to sign the affidavit at the dinner.¹⁷ Former Business Partner refused to sign the affidavit and Representative Buchanan got "very frustrated and got up and left."¹⁸ Mr. Tosch then told Former Business Partner that he had five minutes to sign the document, but he did not sign it.¹⁹

31. Former Business Partner said that Representative Buchanan called and left a voicemail message the next day.²⁰

32. This voicemail message attributed to Representative Buchanan, stated, "Sam, Vern . . . we're willing to save what we got and work with you. But I think the threatening of political stuff and all that you got more liability that you know if you start telling people that you reimbursed people because technically you have the liability."²¹

33. Former Business Partner told the OCE that Representative Buchanan left another voicemail message a few days later.²² That message stated, "Sam, it's Vern. I'm just calling to see how you made out with the bankers and the lawyers after I didn't hear anything. Again, I hope that we can work something out."²³

34. The message also stated, "but again, I hope we can restructure it, and it will preserve your reputation there in Jacksonville. You don't want to go through two years of litigation."²⁴

35. Former Business Partner did not sign the affidavit and the parties did not enter into the settlement agreement.

C. THE AFFIDAVIT TO BE FILED WITH THE FEDERAL ELECTION COMMISSION CONTAINED FALSE STATEMENTS

Paragraph 5 of the Affidavit

36. The affidavit included statements concerning Former Business Partner's involvement in reimbursing certain individuals who contributed to Vern Buchanan for Congress.²⁵

¹⁴Memorandum of Interview of Former Business Partner, December 6, 2011 ("Former Business Partner MOI") (Exhibit 2 at 11-7565_0013).

¹⁵*Id.*

¹⁶Binding Settlement Term Sheet (Exhibit 1 at 11-7565_0006).

¹⁷Former Business Partner MOI (Exhibit 2 at 11-7565_0013).

¹⁸*Id.*

¹⁹*Id.*

²⁰*Id.*

²¹Audio of the voicemail is publicly available and the FEC deposition of Former Business Partner includes a transcript of the voicemail. Virginia Chamlee, *Listen: Buchanan Voicemails Shed Light on Campaign Reimbursement Dispute*, The Florida Independent, Sept. 22, 2011, <http://floridaindependent.com/48504/listen-buchanan-voicemails-shed-light-on-campaign-reimbursement-dispute> ("Buchanan Voicemails"); Federal Election Commission Investigative Deposition of Former Business Partner, November 6, 2009 ("Former Business Partner FEC Deposition") (Exhibit 3 at 11-7565_0095-0100).

²²Former Business Partner MOI (Exhibit 2 at 11-7565_0013).

²³Buchanan Voicemails.

²⁴*Id.*

²⁵Binding Settlement Term Sheet (Exhibit 1 at 11-7565_0007).

37. Specifically, paragraph 5 of the affidavit required Former Business Partner to swear that he did not know about the reimbursed contributions until September 2008, after the reimbursements first occurred.²⁶

<p>5. Before September, 2008 neither I, nor to my knowledge, any other person who had ever advised Buchanan or any of his representatives had any information that one or both of the dealerships referred to in 1 above reimbursed certain individuals for contributions made to the Vernon G. Buchanan for Congress campaign.</p>

Paragraph 5 of the Affidavit Was False

38. Former Business Partner admitted to the OCE that paragraph 5 of the affidavit was false.²⁷

39. Former Business Partner told the OCE that in late 2005 he began asking certain employees of Hyundai of North Jacksonville (“HNJ”) to contribute to Vern Buchanan for Congress.²⁸ He said that he had HNJ reimburse these employees for the campaign contributions.²⁹

40. Former Business Partner told the OCE that during the period from 2005 to 2007, he directed the following HNJ employees to make contributions to Vern Buchanan for Congress and receive reimbursements: Stephanie Champ, Gayle Lephart, Dee Smith, Joe Cutaia, Eric Khazravan, Vincent Sams, and Josh Farid.³⁰

41. Former Business Partner estimated that the total amount of HNJ reimbursements for campaign contributions to Vern Buchanan for Congress was approximately \$100,000.³¹

²⁶ *Id.*

²⁷ Former Business Partner MOI (Exhibit 2 at 11-7565_0011).

²⁸ *Id.*

²⁹ *Id.* at 11-7565_0012.

³⁰ *Id.*

³¹ *Id.*

42. Former Business Partner provided copies of checks to the OCE that corroborate his statement that HNJ employees received reimbursements for campaign contributions to Vern Buchanan for Congress.³² For example, there is a check from one HNJ employee to Vern Buchanan for Congress that is on the same day and in the same amount as a payment from HNJ to the employee.³³

HYUNDAI OF NORTH JACKSONVILLE
3333 N. MAIN STREET
JACKSONVILLE, FLORIDA 32208
904-384-1224

CHECK# 35420

PAY **NINE THOUSAND TWO HUNDRED DOLLARS AND 00/100**

TO THE ORDER OF **GAYLE LEPHART**

DATE 12/28/07 AMOUNT \$9,200.00

Gayle Lephart

GAYLE LEPHART 09/01
ERNEST LEPHART JR
JACKSONVILLE, FL 32228

63-13927530 2463

Date 12/28/07

Pay to the Order of *Vern Buchanan* \$9200.00

new thousand two hundred dollars

COMPASS BANK
BEACH BLVD
JACKSONVILLE, FL 32227

VB Hyundai of North
ET - Third JAX

Gayle Lephart

43. HNJ Comptroller corroborated Former Business Partner's testimony that he was involved in the reimbursements to HNJ employees who contributed to Vern Buchanan for Congress in 2005, 2006, and 2007.³⁴

44. HNJ Comptroller was responsible for all of the company's banking, including payroll payments.³⁵ She told the OCE that she wrote the HNJ checks to reimburse the employees who contributed to Vern Buchanan for Congress.³⁶

³² Collection of Checks Payable to Vern Buchanan for Congress and Checks Payable to HNJ Employees ("HNJ Campaign Contributions") (Exhibit 4 at 11-7565_0113-0114).

³³ *Id.* The checks include a payment of \$4,600 from Stephanie Champ to Joe Cutaia. Based on the testimony of HNJ Comptroller, this payment was made because Ms. Champ wrote a \$9,200 check to Vern Buchanan for Congress and received a reimbursement of \$9,200 from HNJ. However, Vern Buchanan for Congress returned the check because Ms. Champ could only contribute \$4,600 pursuant to contribution limits. Ms. Champ then contributed \$4,600 to Vern for Congress. Mr. Cutaia also contributed \$4,600 to Vern for Congress and Ms. Champ gave him the \$4,600 that she had been overpaid by HNJ. Memorandum of Interview of HNJ Comptroller, December 9, 2011 ("HNJ Comptroller MOI") (Exhibit 5 at 11-7565_0118).

³⁴ HNJ Comptroller MOI (Exhibit 5 at 11-7565_0118-0119).

³⁵ *Id.*

³⁶ *Id.*

45. HNJ Comptroller stated that the first occasion Former Business Partner told her to reimburse the campaign contributions to Vern Buchanan for Congress was in 2005.³⁷

46. She explained to the OCE that Former Business Partner told her to write a personal check to Vern Buchanan for Congress.³⁸ She did this and then wrote a check to herself from HNJ, making sure to “gross up” the amount of the payment from the company.³⁹ This meant that the gross amount HNJ paid accounted for income taxes and the net amount was the amount of the campaign contribution.⁴⁰

47. HNJ Comptroller explained that Former Business Partner told her which HNJ employees to reimburse for their contributions to Vern Buchanan for Congress and she handled each accordingly.⁴¹

48. HNJ CFO also corroborated Former Business Partner’s testimony that he was involved in the reimbursements to HNJ employees who contributed to Vern Buchanan for Congress.⁴²

49. HNJ CFO told the OCE that he made multiple contributions to Vern Buchanan for Congress around 2006 and that he received reimbursements from HNJ.⁴³ He told the OCE that Former Business Partner told him that he was to receive the reimbursements.⁴⁴

50. The Board notes that the FEC investigated Former Business Partner’s involvement in the reimbursements and “found that there is probable cause to believe” that he and HNJ reimbursed individuals for their contributions to Vern Buchanan for Congress.⁴⁵

D. THERE IS SUBSTANTIAL REASON TO BELIEVE THAT REPRESENTATIVE BUCHANAN KNEW THE AFFIDAVIT WAS FALSE

51. The affidavit stated that neither Former Business Partner nor Representative Buchanan or their representatives became aware that reimbursements had occurred at HNJ until September 2008.⁴⁶

52. Contrary to paragraph 5 of the affidavit, Former Business Partner was aware of the reimbursements prior to 2008, and Representative Buchanan and his representatives first knew Former Business Partner’s involvement no later than September 8, 2008.

Former Business Partner’s September 8, 2008 Email

53. On September 8, 2008, Former Business Partner sent Mr. Tosch an email titled “documents for . . . review.”⁴⁷ Mr. Tosch is the President of Representative Buchanan’s company, 1099 Man-

³⁷ *Id.*

³⁸ *Id.*

³⁹ *Id.*

⁴⁰ *Id.*

⁴¹ *Id.*

⁴² Memorandum of Interview of HNJ Chief Financial Officer, December 5, 2011 (“HNJ CFO MOI”) (Exhibit 6 at 11-7565_0122-0123).

⁴³ *Id.*

⁴⁴ *Id.*

⁴⁵ Letter from Mark Allen, FEC Assistant General Counsel, to Former Business Partner, dated September 28, 2010 (Exhibit 7 at 11-7565_0125).

⁴⁶ Binding Settlement Term Sheet (Exhibit 1 at 11-7565_0007).

⁴⁷ Email from Former Business Partner to John Tosch, dated September 8, 2008 (“September 8, 2008 Email”) (Exhibit 8 at 11-7565_0127-0129).

agement Co., LLC and one of the parties to the settlement agreement.⁴⁸

54. The email included attachments of “check copies” that Former Business Partner appears to have received from his former assistant at HNJ, Stephanie Champ.⁴⁹

From: kazran52 <[REDACTED]@aol.com>
 To: john [REDACTED]@buchananautogroup.com>
 Subject: documntations for...to review
 Date: Mon, Sep 8, 2008 6:38 pm
 Attachments: scan0001[1](2).jpg (865K), scan0002[1](2).jpg (585K), scan0003[1](2).jpg (599K), scan0004[1](2).jpg (767K), check_copies-vern128[1].pdf (178K)

this this is the 1st set of checks, there are more to follow, It gives me great regret to have done this for Vern when he doesn't even hesitates for a second to sue me and my wife over 20k.. Maybe he can consider taking part of this 80k+ as one month of payment so my wife doesn't cry out of fear of loosing our home. I thank Vern for giving me permission to set aside my moral character...

1. 1.3million of loan on Hyundai that was never disclosed nor mentioned in agreement
- 2.purposely deceiving lender by injecting cash and taking it right back to qualify for a loan, "fraud"
- 3.borrowing money as capital contribution when that's a direct lender violation
4. 1.4 million in gwinette in outstanding bills plus 1.6million in lease payments
5. a total of 2.2million of capital required by Vern as per our agreement and manufacture requirement
6. a total of 15million in damages caused by lack of capital in companies that Vern contributed
7. major reason for the loss of 423 employees and their families because I made a bad decisions and believed Vern at his word.....
8. I am sure the other 5 partners can add on to this list....

lets dissolve our partnership and remain friends.....if Vern wants to take Kia stores it will be 1.5million.. what's not optional is gwinette.... based on my agreement the best way to resolve this is to go back to what we agreed..he is owed 10k per month as a partner, all other money needs to be paid back to me..once that is done we both can work together and dissolve the company as partners..... other option is wait until tomorrow to find out if

55. The check copies attached to the email include checks from HNJ employees to Vern Buchanan for Congress.⁵⁰ These checks are also included in the documents that Former Business Partner provided to the OCE to establish that HNJ employees were reimbursed.⁵¹

56. The email states that “[t]his is the 1st set of checks, there are more to follow, It gives me great regret to have done this for Vern when he doesn’t even hesitates [sic] for a second to sue me and my wife over 20k. Maybe he can consider taking part of this 80K+ as one month of payment”⁵²

57. As of September 8, 2008, Former Business Partner had informed Representative Buchanan’s representative that: (1) the reimbursements had occurred; (2) Former Business Partner had documentary evidence of the reimbursements; and (3) Former Business Partner personally knew of the reimbursements prior to September 2008.⁵³

⁴⁸ Binding Settlement Term Sheet (Exhibit 1 at 11-7565_0006).

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ HNJ Campaign Contributions (Exhibit 4 at 11-7565_0106-0115).

⁵² September 8, 2008 Email (Exhibit 8 at 11-7565_0127).

⁵³ *Id.*

Additional Contact with Representative Buchanan Regarding Contributions

58. Prior to the September 8, 2008 email, two other emails were sent to Representative Buchanan or his representatives referencing contributions from HNJ.

59. Former Business Partner's September 8, 2008 email had been preceded by a related email from HNJ CFO to Mr. Tosch, dated August 27, 2008.⁵⁴

60. HNJ CFO told the OCE that he sent Mr. Tosch, a representative of Representative Buchanan, an email concerning the money taken out of HNJ's operating fund for the reimbursed contributions.⁵⁵

61. In the email, HNJ CFO states that Mr. Buchanan asked for campaign contributions and HNJ supported him "to a tune of \$80K."⁵⁶

62. One day before the August 27, 2008 email from HNJ CFO to John Tosch, Former Business Partner sent an email to Representative Buchanan regarding the \$80,000 in contributions from HNJ.

63. On August 26, 2008, Former Business Partner sent an email to Representative Buchanan, stating that "I am the only one in our group that has donated over 80k" to Vern Buchanan for Congress.⁵⁷

64. Although two of the three emails referenced above were sent to Mr. Tosch, Representative Buchanan's knowledge of the communications is illustrated by the content of the voicemail that is attributed to him.⁵⁸

65. The message begins, "Sam, Vern. Sorry I didn't get your message, but, Sam, Mike Lindell told me the other day that you're going to sue us or threatening to sue us."⁵⁹ It continues, "[b]ut I think the threatening of political stuff and all that you got more liability than you know if you start telling people that you reimbursed people because technically you have the liability."⁶⁰

Conclusion

66. Former Business Partner's testimony, the testimony of HNJ employees, and the documentary evidence discussed above establish that Former Business Partner was involved in reimbursing HNJ employees who contributed to Vern Buchanan for Congress.

67. Representative Buchanan and his representatives were aware of Former Business Partner's years of involvement in reimbursing HNJ employees no later than September 8, 2008.

68. Therefore, there is substantial reason to believe that Representative Buchanan knew on October 2, 2008, at the time that he made the settlement agreement contingent on the affidavit, that: (1) Former Business Partner had information concerning the reimbursements prior to September 2008; and (2) paragraph 5 of the affidavit was false.

⁵⁴ FEC MUR 6054, General Counsel's Report #9 ("FEC OGC Report") (Exhibit 9 at 11-7565 0131-0159).

⁵⁵ HNJ CFO MOI (Exhibit 6 at 11-7565 0123).

⁵⁶ FEC OGC Report (Exhibit 9 at 11-7565_0146).

⁵⁷ *Id.*

⁵⁸ *See* Buchanan Voicemails.

⁵⁹ *Id.*

⁶⁰ *Id.*

69. The Board notes that following the FEC's investigation of the reimbursements of campaign contributions from Representative Buchanan's automobile dealerships, the Commission found that "[c]ontrary to [Representative Buchanan's] claims, the affidavit is not 'entirely true.'" ⁶¹ It further found that paragraph 5 of the affidavit "contradicts one of [Representative Buchanan's] key claims in the case—that Kazran alone directed reimbursements at HNJ during the '06 and '08 cycles." ⁶² The FEC concluded that "[i]t is improbable that Buchanan's attorneys drafted the affidavit and presented it to Kazran without Buchanan's involvement"

III. THE AFFIDAVIT INCLUDED ADDITIONAL STATEMENTS THAT MAY BE FALSE

70. In addition to Representative Buchanan having knowledge of Former Business Partner's involvement in reimbursing the HNJ employees for campaign contributions, he may have had personal knowledge of the reimbursements and directed such reimbursements.

71. If Representative Buchanan had personal knowledge of the reimbursements to HNJ employees prior to September 2008, statements in the affidavit, in addition to paragraph 5, were false.

72. In addition to paragraph 5 of the affidavit, paragraphs 6 and 7 may be false.

73. Paragraph 6 required Former Business Partner to swear that "I attended various meetings of general managers or 'partners' of Buchanan At no time was there any statement or any form of encouragement to make a campaign contribution based upon a threat of job discrimination, financial reprisal, or other detriment for failure to make a contribution discussed, disseminated or suggested by Buchanan Furthermore, there never was a discussion, statement or other action which would have implied that a person who made a contribution to the Vernon G. Buchanan for Congress campaign would be reimbursed by someone or would receive a special benefit." ⁶³

74. Paragraph 7 stated that "[n]o one has advised me that Buchanan or any representative of his knew of any intention, plan or arrangement by anyone to make a reimbursement, directly or indirectly, to a person in exchange for making a contribution to Buchanan for Congress campaign." ⁶⁴

75. According to Former Business Partner and several other witnesses, Representative Buchanan intended to have individuals reimbursed for campaign contributions to his campaign. ⁶⁵

76. Former Business Partner told the OCE that around June 2006, Representative Buchanan told him to collect at least \$25,000

⁶¹FEC OGC Report (Exhibit 9 at 11-7565_0149). The FEC investigation of Representative Buchanan was limited to determining whether there were violations of 2 U.S.C. §§ 441f (contributions in the name of another) and 441a(f) (prohibited contributions and expenditures). The FEC investigation, unlike this Review, was not to determine whether there may have been violations 18 U.S.C. §§ 201, 1505, and 1512, and House Rule 23, clause 1. The FEC determined to take no further action against Representative Buchanan with respect to violations of 2 U.S.C. §§ 441f and 441a(f).

⁶²*Id.*

⁶³Binding Settlement Term Sheet (Exhibit 1 at 11-7565_0007).

⁶⁴*Id.*

⁶⁵Former Business Partner MOI (Exhibit 2 at 11-7565_0011); HNJ CFO MOI (Exhibit 6 at 11-7565_0122); HNJ Comptroller MOI (Exhibit 5 at 11-7565_0118-0119).

for his campaign. When Former Business Partner told him that he could not get \$25,000, Representative Buchanan asked, “don’t you have someone you can trust to run it through the company, like your brother or something?”⁶⁶

77. Former Business Partner understood this to be an explicit direction to use the dealership to reimburse individuals for campaign contributions.⁶⁷

78. Former Business Partner told the OCE that although June 2006 was the first time that Representative Buchanan explicitly told him to reimburse campaign contributions, he overheard a conversation between Representative Buchanan, Dennis Slater, and David Long at a meeting of the Representative Buchanan’s business partners in late 2005 or early 2006.⁶⁸ Representative Buchanan asked Mr. Long for a campaign contribution and Mr. Long replied that he could not make a contribution. In response, Representative Buchanan told him “don’t you know you’re going to get it back.”⁶⁹

79. Dennis Slater, the former Chief Financial Officer of the Buchanan Automotive Group, told the OCE that Representative Buchanan did not offer to reimburse him for campaign contributions.⁷⁰

80. HNJ Comptroller told the OCE that around 2005 she overheard Former Business Partner speaking with Representative Buchanan over the telephone.⁷¹ Former Business Partner told Representative Buchanan, “Vern, I’ll handle it right now.”⁷² Immediately following the call, Former Business Partner instructed her to write a personal check to Vern Buchanan for Congress and then to reimburse herself with a check from HNJ.⁷³

81. She told the OCE that Former Business Partner asked her later, around 2007, to make a second contribution and she did so because she had the feeling that her employment could be terminated by Representative Buchanan if she did not.⁷⁴

82. HNJ CFO told the OCE that he made contributions to Vern Buchanan for Congress and received reimbursements.⁷⁵ He said that it was his understanding that Representative Buchanan directed Former Business Partner to reimburse employees who made campaign contributions.⁷⁶ HNJ CFO said that Former Business Partner was on the phone with Representative Buchanan and Former Business Partner put the phone to HNJ CFO’s ear.⁷⁷ He said that he heard Representative Buchanan say that “they could get the managers to contribute to the campaign and the dealership

⁶⁶ Former Business Partner MOI (Exhibit 2 at 11-7565_0011).

⁶⁷ *Id.*

⁶⁸ *Id.*

⁶⁹ *Id.*

⁷⁰ Memorandum of Interview of Dennis Slater, October 25, 2011 (Exhibit 10 at 11-7565_0163).

⁷¹ HNJ Comptroller MOI (Exhibit 5 at 11-7565_0118).

⁷² *Id.*

⁷³ *Id.*

⁷⁴ *Id.*

⁷⁵ HNJ CFO MOI (Exhibit 6 at 11-7565_0122).

⁷⁶ *Id.*

⁷⁷ *Id.*

to reimburse them.”⁷⁸ He explained that the reimbursements occurred prior to the end of 2006.⁷⁹

83. Former Business Partner told the OCE that he allowed HNJ CFO to listen to certain calls when Representative Buchanan asked for campaign contributions but that Buchanan did not explicitly discuss reimbursing campaign contributions during these calls.⁸⁰

84. The Board notes that the FEC investigated whether Representative Buchanan directed Former Business Partner to reimburse campaign contributions of HNJ employees and found that “[t]he evidence in this case comes close to supporting a finding that it is more likely than not that [Representative Buchanan, Vern Buchanan for Congress, and Joseph Gruters] violated §§ 441f and 441a(f).”⁸¹ Due to a lack of corroborating evidence regarding whether Representative Buchanan instructed Former Business Partner to make reimbursements, the FEC decided to take no further action against Representative Buchanan.⁸²

85. The OCE was unable to discuss with Representative Buchanan his involvement, if any, with directing reimbursements of campaign contributions because he refused to cooperate with the OCE Review.

86. The following witnesses, who also were identified as having information relevant to determining Representative Buchanan’s involvement in reimbursing campaign contributions, did not cooperate with the Review: Don Caldwell, Shelby Curtsinger, Kenneth Lybarger, Gary Scarbrough, Dennis Slater, and John Tosch (collectively, “Non-Cooperating Third Parties”).

IV. CONCLUSION

87. Although permitted by House Resolution 895 and OCE rules to draw a negative inference from the lack of cooperation of Representative Buchanan and the Non-Cooperating Third Parties, the Board judged the evidence adduced to be more than sufficient to support its determination that there is substantial reason to believe that Representative Buchanan violated federal law and House rules.

88. Based on the information before the OCE, Former Business Partner was involved in reimbursing campaign contributions that HNJ employees made to Vern Buchanan for Congress prior to September 2008, making the affidavit false.

89. Representative Buchanan and his representatives were made aware of this fact no later than September 8, 2008.

90. There is substantial reason to believe Representative Buchanan asked Former Business Partner to sign an affidavit to be submitted to the FEC, that he knew to be false, and conditioned a \$2.9 million dollar legal settlement on the signature.

91. For the foregoing reasons, Board of the Office of Congressional Ethics recommends that the Committee on Ethics further review the above allegations because there is substantial reason to believe that Representative Buchanan attempted to influence the

⁷⁸ *Id.*

⁷⁹ *Id.*

⁸⁰ Former Business Partner MOI (Exhibit 2 at 11-7565_0013).

⁸¹ FEC OGC Report (Exhibit 9 at 11-7565_0158).

⁸² *Id.*

testimony of a witness in a proceeding before the FEC in violation of 18 U.S.C. §§ 201, 1505, and 1512, and House Rule 23, clause 1.

V. INFORMATION THE OCE WAS UNABLE TO OBTAIN
AND RECOMMENDATIONS FOR THE ISSUANCE OF SUB-
POENAS

92. The following individuals, by declining to be interviewed by the OCE, did not cooperate with the OCE's review:

- a. Representative Buchanan;
- b. Don Caldwell, Sales Manager, Venice Nissan Dodge; and
- c. John Tosch, President, 1099 Management Co., LLC.

93. The following individuals, by declining to provide documentary evidence in response to the OCE's Requests for Information, did not cooperate with the OCE's review:

- a. Shelby Curtsinger, Co-Owner, Venice Nissan Dodge;
- b. Kenneth Lybarger, Comptroller, Suncoast Ford;
- c. Gary Scarbrough, Co-Owner, Suncoast Ford; and
- d. Dennis Slater, Chief Operating Officer, Buchanan Automotive Group.

94. As a result, the OCE was unable to obtain certain information regarding Representative Buchanan's involvement in the reimbursements given to HNJ employees who contributed to Vern Buchanan for Congress.

95. The Board recommends the issuance of subpoenas to Representative Buchanan, Don Caldwell, Shelby Curtsinger, Kenneth Lybarger, Gary Scarbrough, Dennis Slater, and John Tosch.

EXHIBIT 1

Lindell & Farson, P.A.

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Roger K. Gannam
@lindellfarson.com

October 2, 2008

Via e-mail to: @smithhulsey.com
Sam Kazran
c/o James H. Post, Esquire
Smith Hulsey & Busey
225 Water Street, Suite 1800
Jacksonville, FL 32202

**CONFIDENTIAL SETTLEMENT
COMMUNICATION**

RE: REVISED Binding Settlement Term Sheet

Dear Mr. Kazran:

The purpose of this letter is to confirm the terms upon which our clients have agreed to resolve existing claims among them with respect to all past and current business relationships.

The core terms agreed upon are as follows:

1. Within 48 hours of the complete execution of this agreement, 1099 Management Co., LLC, a Florida limited liability company ("1099") will place into escrow with the law firm of Lindell & Farson, P.A. the total sum of \$2.9 million (the "Escrow Amount") to be applied as provided below.

2. Of this amount, \$1.1 million will be paid by 1099 at closing for the purchase of the assets of Premier Automotive on Atlantic, LLC ("Premier Atlantic"), Premier Automotive at the Avenues, LLC ("Premier Avenues") and Premier Properties on Atlantic, LLC ("Premier Properties") including, but not limited to, all rights of those companies to conduct business as a Kia dealership at the addresses of 9401 Atlantic Blvd. and 10845 Phillips Highway, Jacksonville, Florida and specifically including all real estate, parts inventory, fixed assets and all new, previously undelivered, 2008 Kia automobiles (with less than 5,000 miles thereon), free and clear of all claims and encumbrances whatsoever.

3. The conditions to the closing upon 1099's purchase of the foregoing assets are:

SK_0012

11-7565_0002

Sam Kazran
c/o James H. Post, Esquire
October 2, 2008
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- (a) Approval by the Kia manufacturer;
- (b) Approval by the first mortgage holder with respect to the existing mortgage on the 9401 Atlantic Blvd. real estate; and
- (c) Clear title to all assets being conveyed (with the exception of the existing first mortgage on the real estate.)

4. Out of the Escrow Amount, \$1.6 million will be applied, under the oversight of Ira Silver, CPA, to retiring the obligations of Premier Dodge and Gwinnett, LLC, including without limitation all obligations for floor plan sales out of trust and outstanding federal and state tax liabilities related to the Premier Dodge operation, which out of trust and tax liabilities will be satisfied before any other Premier Dodge liabilities. You, Sam Kazran, agree to hold Buchanan, 1099, and any other businesses or entities affiliated with them, harmless for all damages, as well as defense costs, associated with all obligations arising out of the Premier Dodge dealerships (hereinafter the "Premier Dodge Liabilities").

5. The balance of the Escrow Amount in the sum of \$200,000 is earmarked as a reserve account to be applied to any remaining obligations to the lessor of the automobile dealership facility located in Duluth, Georgia and currently occupied by the Premier Dodge Dealership. Upon full satisfaction of that obligation, you, Sam Kazran, will be entitled to receive any balance remaining on hand in that reserve account. Should satisfaction of the obligation to the lessor require an amount greater than deposited into this reserve account, Kazran agrees to hold Buchanan, 1099, and any other businesses or entities affiliated with them, harmless for all damages, as well as defense costs, associated with final resolution of that obligation (hereinafter the "Hendrick Lease Liability").

6. Provided 1099 timely advances the Escrow Amount contemplated by paragraph 1 above, and otherwise tenders full performance hereunder, within 48 hours of the complete execution of this agreement you, Sam Kazran, will cause all existing litigation against Vernon G. Buchanan ("Buchanan"), 1099 and any of their affiliated businesses or entities to be immediately dismissed with prejudice and within that same time frame will furnish a copy of the notices of dismissal that have been forwarded to the respective courts for filing.

7. With respect to the existing working capital loan incurred in connection with the operation of the Premier Dodge Dealership in Duluth, Georgia payable to M & I Bank in the approximate principal sum of \$800,000 under which Buchanan and one or more of his related entities may be obligated, you, Sam Kazran, agree that this obligation will be kept current with the lender and that you will hold Buchanan and all of his related businesses and entities harmless for all damages as well as defense costs associated with that loan (the "Cap Loan Liability").

8. Within ninety (90) days of the full execution of this agreement, you, Sam Kazran, will repurchase from 1099 the assets of the Kia dealership located at 10845 Phillips Highway,

Sam Kazran
 c/o James H. Post, Esquire
 October 2, 2008
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Jacksonville, Florida for the total sum, at closing, of \$1 million, payable by promissory note bearing interest at the rate of 6%, with a term of 42 months, interest-only payments due for the first 12 months, principle and interest payments due for remaining 30 months calculated based upon a 5-year amortization, and balloon payment due for all remaining principal and interest after 42 months (the "Avenues Kia Note"). The conditions to the closing of the transaction will be:

- (a) Approval by the Kia manufacturer; and
- (b) Clear title to all assets which shall specifically include the new parts inventory, all new cars (subject to floor plan) and all fixed assets.

9. With respect to the required approvals by the Kia manufacturer contemplated by paragraphs 3 and 8 above, the parties agree that they will diligently, and in good faith, take all steps necessary, within their control, to satisfy the requirements of the Kia manufacturer for approval.

10. Provided you, Sam Kazran, fully perform hereunder, the promissory note dated December 29, 2006 in the original principal sum of \$700,000 under which you, your wife, Gwinnett, LLC and 11-2001, LC are listed as makers, will be deemed fully paid and satisfied.

11. In order to secure your obligations under the Hendrick Lease Liability, the Premier Dodge Liabilities, the Cap Loan Liability, and the Avenues Kia Note, as defined above, you, and any of your related or affiliated businesses will grant no less than a second priority, enforceable security interest in the following described collateral no later than the first disbursement of escrow funds as contemplated above:

- (a) All assets used, or to be used, in connection with the business of Hyundai of North Jacksonville both at its current location and at its anticipated new location in the vicinity of Interstate 95, Broward Road, and Dunn Avenue.
- (b) All real estate owned by you, Sam Kazran, 11-2001, LLC, Jacksonville Auto Mall, LLC, Aram Askarifar, and Onyyx Development Group, LLC in the vicinity of the new location of Hyundai of North Jacksonville, including without limitation the 22 acres (tax parcel no. 022105-0000) referred to during our negotiations; and
- (c) All rights you, Sam Kazran, or any of your partners or affiliates have to operate as a Hyundai dealer in the North Jacksonville area.
- (d) A local counsel, mutually agreeable to the parties, will provide an opinion that the security interest described is enforceable according to its terms.

SK_0014

11-7565_0004

Sam Kazran
c/o James H. Post, Esquire
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Page 4 of 5

In the event any portion of the real property herein, including without limitation the 22 acres, tax parcel no. 022105-0000, is conveyed to the Florida Department of Transportation (DOT) in connection with the DOT Notice to Owner dated June 12, 2008, to 11-2001, LLC, Jacksonville Auto Mall, LLC, and Aram Askarifar, then Buchanan and 1099 will cause any security interest arising hereunder to be released as to the property conveyed to DOT; provided, however, that any proceeds from such conveyance will be applied first to such purposes as required by Bank of America in connection with the workout or restructuring of obligations to Bank of America, then to the Cap Loan Liability, and then to the Avenues Kia Note, before such proceeds are used for any other purpose.

12. Further conditions to the disbursement of the Escrow Amount are as follows:

- (a) Kazran's execution of the Affidavit attached hereto as Exhibit A.
- (b) Kazran's provision to Buchanan and 1099 of written verification from Bank of America that, as a result of the parties executing these settlement terms, and provided that the Escrow Amount is disbursed in accordance herewith, Bank of America will allow Hyundai of North Jacksonville to continue its operations and will loan additional working capital for the operation of the dealership.

13. The parties contemplate that formal agreements will be executed among them implementing these terms. Those agreements will include a release of all claims by Kazran and his affiliated interests against Buchanan and his affiliated interests by reason of any known or unknown set of facts arising before this date except for the obligations assumed under this settlement. Likewise, assuming performance by Kazran, Buchanan and his affiliated interests will release Kazran and his affiliated interests from all claims other than those contemplated by this agreement.

14. The parties agree (1) that the terms of this settlement will be kept strictly confidential except where its disclosure is necessary in order to secure approvals from persons whose consent is essential to accomplishment of the transactions described herein (2) not to disparage one another and to report to any public inquiry that "all disputes have been satisfactorily resolved;" and (3) not to commence any new litigation against one another, except to enforce the terms of this settlement.

Please indicate your agreement to these core terms by signing in the spaces provided below.


Sincerely,

s/ Roger K. Gannam

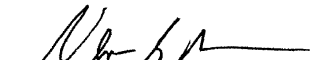
Roger K. Gannam

Sam Kazran
c/o James H. Post, Esquire
October 2, 2008
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SAM KAZRAN
Individually and on behalf of Premier Avenues,
Premier Atlantic, Premier Properties, Gwinnett,
LLC, 11-2001, L.C. and all other businesses and
entities controlled by him



1099 MANAGEMENT CO, L.L.C.
By: John Tosch, President


VERNON G. BUCHANAN

Affidavit of Sam Kazran a/k/a Sam Khazrwan

I, Sam Kazran, under penalty of perjury, state that to the best of my knowledge:

1. I have been the person in charge of the operations of the automobile dealerships known as Premier Dodge ("Premier Dodge") which is owned by Gwinnett, LLC, a Florida limited liability company and Hyundai of North Jacksonville ("Hyundai") owned by 11-2001 LLC, a Florida limited liability company, during all periods relevant to the matters set forth below.
2. Vernon G. Buchanan ("Buchanan"), directly or indirectly through 1099 Management Co. L.L.C., a Florida limited liability company, had an economic ownership in each dealership, although Buchanan's economic arrangements, and continuity of ownership, in each dealership changed over the years of my involvement.
3. Due in part to the economic circumstances that existed in the automobile industry, each of these dealerships experienced a financial downturn, and certain amounts that I, or the respective dealership, owed Buchanan or entities controlled by him were delinquent in payment, and the relationship between Buchanan and me deteriorated because of such delinquencies, commencing primarily in early 2008.
4. During the course of tense and somewhat hostile negotiations between my lawyers and me, and representatives for Buchanan, I advised a representative of Buchanan that one or more of the dealerships of which I was in operational control had reimbursed certain individuals who had contributed to the Buchanan for Congress campaign.
5. Before September, 2008 neither I, nor to my knowledge, any other person who had ever advised Buchanan or any of his representatives had any information that one or both of the dealerships referred to in 1 above reimbursed certain individuals for contributions made to the Vernon G. Buchanan for Congress campaign.
6. Since my relationship with Buchanan first commenced, I attended various meetings of other general managers or "partners" of Buchanan who were involved in other dealerships in which Buchanan, or companies controlled by him, had a direct or indirect ownership interest. At no time was there any statement or any form of encouragement to make a campaign contribution based upon a threat of job discrimination, financial reprisal, or other detriment for failure to make a contribution discussed, disseminated or suggested by Buchanan, a Buchanan representative or anyone under his or their direction. Furthermore, there never was a discussion, statement or other action which would have implied that a person who made a contribution to the Vernon G. Buchanan for Congress campaign would be reimbursed by someone or would receive a special benefit.
7. No one has advised me that Buchanan or any representative of his knew of any intention, plan or arrangement by anyone to make a reimbursement, directly or indirectly, to a person in exchange for making a contribution to the Buchanan for Congress campaign.

1

EXHIBIT A

SK_0017

11-7565_0007

8. I consent to Buchanan filing this Affidavit with the Federal Election Commission and using information contained herein in connection with campaign for re-election matters.

Sam Kazran

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of October, 2008, by Sam Kazran. He is personally known to me or has produced _____ as identification.

(SEAL)

Notary Public-State of

Commission Number:
5646820_v1

EXHIBIT 2

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 as Amended

OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

MEMORANDUM OF INTERVIEW

IN RE: Former Business Partner
REVIEW NO.: 11-7565
DATE: December 6, 2011
LOCATION: 225 East Coastline Drive
Jacksonville, FL 32202
TIME: 10:00 a.m. to 12:30 p.m. (approximate)
PARTICIPANTS: Omar S. Ashmawy
Kedric L. Payne

SUMMARY: The witness is a former business partner of Representative Vern Buchanan. The OCE requested an interview with the witness and he consented to an interview. The witness made the following statements in response to our questioning:

1. The witness was given an 18 U.S.C. § 1001 warning and consented to an interview. The witness signed a written acknowledgement of the warning, which will be placed in the case file in this review.
2. The witness is currently unemployed. He told the OCE that he is in litigation with Bank of America that was commenced in 2008 by Representative Buchanan.
3. The witness was a partner with Representative Buchanan in several business: Hyundai of North Jacksonville, Premier Dodge (legal name: Gwinnett, LLC), Premier Kia on Atlantic (legal name: Premier Automotive Group, LLC) and Premier Kia at the Avenue (legal name: Premier Automotive Group, LLC).
4. The witness was the managing director at these entities. He reported to Representative Buchanan. Representative Buchanan ran these dealerships and others through an entity called the "1099 Company" which owned everything. Representative Buchanan managed the dealerships through monthly financial reports.
5. The first time campaign contributions in relation to Representative Buchanan came up was at meeting of his various business partners meeting where Representative Buchanan gave a speech and announced he was running for Congress. Right after the speech Representative Buchanan talked to everyone. Representative Buchanan told the witness that he was depending on the witness for contributions. It was the same conversation he had with all the partners in the room.
6. The witness's first contribution to Representative Buchanan was \$9200 from him and his wife. The contribution was not reimbursed.

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 as Amended

7. Close to the end of a calendar quarter, Representative Buchanan would become aggressive regarding contributions. Sometimes the witness would receive thirty or more calls in a week from Representative Buchanan.
8. On one occasion, Representative Buchanan asked the witness to help raise \$50,000 for his campaign. This was not too long after the witness had made the \$9200 contribution. The witness could not raise additional money for contributions from others, so he wrote a \$4,000 check to Representative Buchanan's campaign. The check was returned by the campaign. This was the first time the witness learned about contribution limits.
9. At that time, the witness's contact at the campaign was a woman named Selena. A few months afterwards Representative Buchanan set up a more formal campaign staff.
10. Representative Buchanan talked to the witness and all of his other business partners about campaign contributions. The witness knew this because the partners would talk to one another and joke about it – asking each other how much Representative Buchanan “hit them up for” and then complain about it.
11. There was one partner meeting the witness recalled when Representative Buchanan was stressed. The quarter was ending and Representative Buchanan said that he needed \$1 million by the end of the quarter. The witness recalled one partner asking Representative Buchanan “Hey boss, why don't you just use your money?” Representative Buchanan said that he could not because he needed to have lots of people contribute because otherwise “it didn't look good.”
12. The first time Representative Buchanan was explicit about reimbursing individuals for the campaign contributions was sometime in June 2006. It was part of a conversation about buying Representative Buchanan out of one of the dealerships. The witness was walking out of a partners' meeting with Representative Buchanan, Dennis Slater, John Tosh, and Josh Farid.
13. Representative Buchanan told the witness that if he could get at least \$25,000 to his campaign by the end of the quarter, Representative Buchanan would give the witness an additional two months to get money to Representative Buchanan to buy him out of Gwinnett, LLC.
14. The witness told Representative Buchanan that he could not get \$25,000 to his campaign. Representative Buchanan then asked “don't you have someone you can trust to run it through the company, like your brother or someone.”
15. Although this was the first time Representative Buchanan explicitly discussed reimbursements of campaign contributions with the witness, the witness was already clear that Representative Buchanan wanted him to do this. It first dawned on him when his check for \$4,000 was returned and yet Representative Buchanan was still asking for contributions.
16. At another partners' meeting in very late 2005 or early 2006, the witness overheard a conversation between Dennis Slater, David Long, and Representative Buchanan. They were talking about campaign contributions. Representative Buchanan asked David Long for a contribution and Mr. Long said he could not make the contribution. The witness heard Representative Buchanan say “don't you know you're going to get it back.”

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17. The witness listed the following people as individuals who were reimbursed for the campaign contributions: Stephanie Champ, Gayle Lephart, Dee Smith, Joe Cutaia, Eric Kazran, Josh Farid, and Vincent Sams. Each individual was an employee of the Hyundai of North Jacksonville dealership. The witness estimated that in total, they gave Representative Buchanan over \$100,000.
18. The witness said that one occasion he had a meeting with the employees and told them that Representative Buchanan asked him to get and reimburse contributions from them. At the meeting one person said that he did not have the money to make the contribution and wait for a reimbursement, so the witness had to write a check to the person first.
19. The witness also explained that on one occasion Representative Buchanan told the witness to use the dealership's corporate credit card and put approximately \$18,000 on it, over the course of several transactions. The witness was told to call Selena and have her "run it for Vern PAC."
20. On another occasion in Summer 2008, Honda of North Jacksonville was having financial trouble and cash flow was becoming tight. The witness asked Representative Buchanan and his representative, John Tosh, for money. They said no. When Josh Farid heard this, he got angry and called John Tosh. Mr. Farid told Mr. Tosh that they [the dealership] gave Representative Buchanan "all the money and we've been expecting it back."
21. Within a few minutes of that phone call, the witness received an angry call from Representative Buchanan who wanted to know what was going on. The witness apologized for Mr. Farid and Representative Buchanan said "what was it? A thousand? I'll have Tosh send it to you."
22. The witness stated that Representative Buchanan started out "normal," but as time went on he "constantly talked about money." Representative Buchanan started out alluding to the idea of reimbursements, but the witness thought that as the election approached and Representative Buchanan became more concerned, he became "so stressed and needed the money" that he began to ask for it explicitly.
23. The witness described Representative Buchanan as very vigilant about the financials of the dealerships. Representative Buchanan would frequently catch minute – in the \$100's – discrepancies and losses. On one occasion Representative Buchanan noticed that \$230 was missing from an account.
24. The funds used to reimburse individuals for campaign contributions were listed as a Vern Buchanan Capital Contribution in the financial statements. No one was asked to explain them and no one talked about it.
25. The witness said that there have been a handful of times when he would put Ms. Lephart or Mr. Farid on the phone to let them overhear a conversation or put a call on speaker so they could hear Representative Buchanan asking for campaign contributions. There was no instance when the witness allowed someone to overhear a phone call with Representative Buchanan when reimbursements were discussed. Anyone who said that is lying.

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26. Ms. Lephart was the comptroller for Honda of North Jacksonville and was therefore aware of all the money going out for the reimbursements. Mr. Farid also helped with the finances and he was therefore aware of money being used for reimbursements.
27. When asked about the affidavit Representative Buchanan asked him to sign, the witness explained that in June 2008 the company was getting low on cash. Bank of America audited the company and determined that Representative Buchanan removed \$800,000 out of the company early on in its existence.
28. Representative Buchanan was being distant with the witness and would not speak to the witness. As a result, the witness was speaking with John Tosh. It was around this time that Mr. Farid made the angry call to Mr. Tosh that resulted in a phone call from Representative Buchanan. As a result of this phone call from Representative Buchanan to the witness, the two men began speaking again.
29. Over the course of several conversations, the witness told Representative Buchanan "you're not in the car business anymore – let me buy you out."
30. An agreement to buy Representative Buchanan out was proposed and eventually signed. The day it was signed, Representative Buchanan called the witness to congratulate him and invited him to Sarasota, FL to celebrate over dinner at a restaurant on Longboat Key.
31. When the witness arrived, Representative Buchanan showed him the affidavit and asked the witness to sign it. The witness read it and was upset because it not only claimed Representative Buchanan did not know about the reimbursements, but made the witness the "fall guy."
32. The witness then called his wife and his attorney from the restaurant. He refused to sign the affidavit, at which time Representative Buchanan got "very frustrated and got up and left."
33. The following day, Representative Buchanan called the witness and left a voicemail. He called again and left another voicemail a few days later. These are voicemails that were publically released.
34. The witness went back and forth with Mr. Tosh to see if there was something they could agree on, but they could not.
35. The last communication the witness had with Representative Buchanan was in 2008 or 2009 regarding the lawsuit. The witness has spoken with Representative Buchanan's attorneys since then.
36. Other dealerships were also reimbursing contributions. Those dealerships were: Sarasota Ford, Venice Nissan, Suncoast Ford, Melbourne Toyota and Melbourne Lexus. Shelby Curtsinger of Venice Nissan would complain a lot about the reimbursement to the witness.
37. The witness did not recall a time when Mr. Farid was privy to a phone call in which Representative Buchanan mentioned reimbursements; however Mr. Farid "knew exactly what was going on." Mr. Farid was on at least two phone calls when Representative Buchanan was asking for campaign contributions.

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38. Just about every time Representative Buchanan asked for money, the witness had to talk to Mr. Farid and Ms. Lephart about it.

This memorandum was prepared on January 5, 2012 after the interview was conducted on December 6, 2011. I certify that this memorandum contains all pertinent matter discussed with the witness on December 6, 2011.

Omar S. Ashmawy
Staff Director and Chief Counsel

EXHIBIT 3

Certified Copy	
FEDERAL ELECTION COMMISSION	
<hr/>	
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INVESTIGATIVE DEPOSITION OF	
SAM KAZRAN	
November 6, 2009 10:30 a.m.	
1301 Riverplace Boulevard Suite 1609 Jacksonville, Florida	
Sandra Crowley, RMR, FPR	
<div>RECEIVED FEDERAL ELECTION COMMISSION 2009 NOV 13 PM 3:49 OFFICE OF GENERAL COUNSEL</div>	
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INVESTIGATIVE DEPOSITION OF

SAM KAZRAN

November 6, 2009

10:30 - 2:07 p.m.

1301 Riverplace Boulevard

Suite 1609

Jacksonville, Florida

Sandra Crowley, RMR, FPR



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APPEARANCES OF COUNSEL

On behalf of the Federal Election Commission:

JACK A. GOULD, Esquire

WADE J. SOVONICK, Investigator

999 E Street, N.W.

Washington, DC 29463

202-694- [REDACTED]

INDEX OF WITNESSES

WITNESS: Sam Kazran

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EXAMINATION
By Mr. Gould

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INDEX TO EXHIBITS

FEC's Exhibits	Description	Page
1	Subpoena	4
2	Five-page agreement	54
3	Affidavit	57

(Exhibits 1-3 have been retained by counsel.)

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CONFIDENTIAL DEPOSITION OF SAM KAZRAN

November 6, 2009

MR. GOULD: Let's go on the record.

Today is Friday, November 6. The time is approximately 10:30. This is the deposition by the Federal Election Commission of Sam Kazran. This is called an investigative deposition.

I will be asking you questions and ask for your best recollection. If you cannot remember the exact words that were in part of a conversation, give us your best summary of the gist of the conversation. If I ask you for dates, if you don't know the exact date, you can tell us the month. Do the best that you can. And again, if you need any breaks, let us know and we'll take a break.

SAM KAZRAN, having been first duly sworn, was examined and testified as follows:

EXAMINATION

BY MR. GOULD:

Q. Please state your name for the record.

A. Sam Kazran, K-a-z-r-a-n.

Q. Mr. Kazran, what is your business, your official business?



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1 A. I own automobile dealerships.

2 Q. For the record, provide us with the
3 address of your -- the dealership where you maintain
4 your office.

5 A. It would be 9401 Atlantic Boulevard,
6 Jacksonville, Florida 32218.

7 Q. And what is your telephone number?

8 A. 904-874-██████. Would you like the
9 business number? I gave you direct cell number.
10 Would you like --

11 Q. Yes, let's have your business number as
12 well.

13 A. 904-354-██████.

14 MR. GOULD: Please mark this as Exhibit

15 1.

16 (FEC Exhibit 1 was marked for
17 identification.)

18 Q. Mr. Kazran, I'm going to hand you now a
19 document that has been marked for identification as
20 Exhibit 1. The document is a subpoena issued by the
21 Federal Election Commission that compels your
22 attendance at this deposition.

23 Okay. Mr. Kazran, I can see that there
24 is not an attorney here. Is that your choice not to
25 be represented by counsel?



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1 A. Correct.

2 Q. Mr. Kazran, when did you become
3 acquainted with Vernon G. Buchanan?

4 A. It was early 2004.

5 Q. How did you become acquainted with
6 Mr. Buchanan?

7 A. I met Mr. Buchanan to discuss a
8 partnership on an automobile dealership that he owned
9 in Jacksonville, Florida. I met him through a
10 colleague of ours by the name of Kevin Brodski,
11 B-r-o-d-s-k-i.

12 Q. And who is Mr. Brodski?

13 A. Mr. Kevin Brodski is a partner or former
14 partner of Mr. Vern Buchanan in another automobile
15 dealership.

16 Q. And the name of that dealership is?

17 A. It was Toyota and Lexus of Melbourne.

18 Q. That's Melbourne, Florida?

19 A. Melbourne, Florida, correct.

20 Q. Okay. It is our understanding that you
21 are the president of a company known as 11-2001 LLC,
22 is that correct?

23 A. Correct.

24 Q. When did you acquire your ownership
25 interest in 11-2001, LLC? And for the record, is



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1 that business known as Hyundai of North Jacksonville?

2 A. Correct, yes. I started my partnership
3 with Mr. Vern Buchanan, I believe it was either April
4 or May of 2004.

5 Q. And did you acquire an ownership interest
6 in 11-2001, LLC?

7 A. Correct. In May of -- April or May of
8 2004, I had had a minority share of the company. I
9 was the managing partner, and Mr. Buchanan had a
10 controlling share of the company.

11 Q. Do you recall what percentage of the
12 company --

13 A. Yes, I was a 49 percent partner, and
14 Mr. Vern Buchanan was 51 percent.

15 Q. And that was in what year?

16 A. 2004, I believe it was April or May of
17 2004.

18 Q. Okay. Did you and Mr. Buchanan have
19 subsequent business dealings?

20 A. Yes. Yes, we had two more automobile --
21 actually three more automobile dealerships,
22 partnerships. One was called Gwinnett, LLC, d/b/a
23 Premier Dodge, located in Duluth, Georgia, outside of
24 the Atlanta area. And we had two other dealerships
25 in Jacksonville, Florida, Kia -- Premier Automotive



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1 Group, d/b/a Kia on Atlantic, and a sister store, Kia
2 at The Avenues.

3 Q. Going to the Gwinnett company, when did
4 you -- did you acquire an interest in that company?

5 A. Correct.

6 Q. And Mr. Buchanan also had a financial
7 interest in that company?

8 A. Correct. Mr. Buchanan and I both were
9 partners. I had 49 percent controlling share, and he
10 had 51 percent controlling share in Gwinnett, LLC. I
11 believe the time was December of '05, January of '06
12 time period. With respect to the two Kia
13 dealerships, that was formed in December of '07, and
14 the partnership structure I was 75 percent partners
15 and he was 25 percent.

16 Q. Okay. The Federal Election Commission
17 records show that you contributed \$4,200 to Vern
18 Buchanan's campaign for Congress in or about July of
19 2005. Do you recall making that contribution?

20 A. Correct.

21 Q. Who asked you to make this campaign
22 contribution?

23 A. Mr. Vern Buchanan.

24 Q. And tell me what you recall. Was there a
25 meeting or conversation in which he asked you?



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1 A. Yes.

2 Q. Tell me what you --

3 A. Mr. Buchanan and I had a discussion. He
4 had informed us that he would be running for
5 Congress, that he would like our help in raising
6 money for them. He had asked me to give him a check,
7 I believe the amount is \$4,600. It might have been
8 two of them, one from me and one from my wife, I
9 can't quite remember, and which I did. I wrote him a
10 personal check and that was the end of it.

11 I -- you know, he had asked me and I gave
12 him the check. And throughout time after I
13 personally contributed to him, numerous times
14 Mr. Buchanan approached me again and asked for me to
15 raise money for him and contribute to his campaign,
16 but he told me that I could no longer write a check
17 myself.

18 Q. Okay. Did he say why you could not write
19 a check yourself?

20 A. This was later. I believe the first time
21 that I contributed he used to tell us it's the end of
22 the quarter, we need to have money. So it would be
23 the third and fourth and fifth round of every time
24 that he was raising money, yes.

25 Q. Let's go back to the first time. Was



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1 this in a meeting that he asked you to make this
2 contribution?

3 A. Both in a meeting and also in private,
4 yes.

5 Q. In the meeting, where did that meeting
6 take place?

7 A. We used to conduct a monthly partners
8 meeting in Sarasota, Florida. All partners would
9 meet once a month to discuss progress of our
10 businesses.

11 Q. Who was present at this particular
12 meeting where Mr. Buchanan asked for the campaign
13 contribution?

14 A. We had several partners that attended
15 there on a regular basis. Kevin Brodski would be
16 one. I'm going to do my best to remember everyone.
17 Mr. Dennis Slater was another, Steve Silverio was
18 another, Jeff King was another, Scott Tomasso is
19 another, Jim Gruisko was another, and several other
20 folks. I have to write down and remember all of
21 them, but I'll certainly do that.

22 Q. I can give you a note pad.

23 A. Yes, if you would. I'm sorry. I
24 remember four more. Mr. John Tosch, Mr. Mark
25 Ornstein was the company's attorney. Josh Parid,



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1 which was a partner of mine, David Long, Scott
 2 Tomasso, Tom Moore. Shelby -- I can't remember the
 3 last name, Shelby's last name.

4 MR. SOVONICK: Is it possible it's
 5 Curtsinger?

6 THE WITNESS: Correct.

7 MR. SOVONICK: C-u-r-t-s-i-n-g-e-r.

8 THE WITNESS: Yes. We had had -- there's
 9 probably another handful of names that I can't
 10 remember now, but as we're talking I'll jot them
 11 down and share that with you.

12 Q. Okay. As I previously stated, the FEC
 13 records indicate that this contribution, \$4,200
 14 contribution, was received by the campaign committee
 15 in July of 2005. Is that the approximate time that
 16 this meeting occurred?

17 A. Correct. Mr. Buchanan held several
 18 meetings, and we discussed business, but as time went
 19 along, his intensity, if you will, with raising funds
 20 grows, so those discussions has taken place on
 21 numerous occasions.

22 Q. Where did this meeting take place?

23 A. Sarasota in the corporate office for
 24 Buchanan Enterprises. Sarasota, Florida. And the
 25 ones that him and I had in private would be in a



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1 restaurant around that area.

2 Q. Let's go back to the particular meeting
3 when Mr. Buchanan first asked you to make the
4 campaign contribution to his campaign committee, Vern
5 Buchanan for Congress.

6 A. Yes.

7 Q. Tell me what you can recall regarding his
8 request for the contribution.

9 A. Mr. Buchanan, he told me that he's going
10 to be running for Congress, that he was very excited.
11 And he said, I'm going to be running for Congress,
12 and my next position would be the governor. I need
13 you to help me. I need to gather as much money as
14 possible. I'm going to put your name on \$50,000 that
15 you've got to raise by the end of the quarter -- I
16 can't remember what month that was.

17 And he says, I need you to write me a
18 check for -- he first asked me, he says, You and your
19 wife both on the checking account? I said, I'm not
20 sure. My wife writes all the checks. He says, Okay,
21 well, it's 9,000-something and change. And I did
22 that for him, no problem. And that was the end of
23 it, but --

24 Q. Let me stop you there. Did you write a
25 check during that meeting when he asked for the



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1 contribution?

2 A. No. I went back to Jacksonville, and I
3 overnighted a check to him.

4 Q. To his office in Sarasota?

5 A. Correct, yes. What Mr. Buchanan did with
6 respect to payments, he would talk to us and someone
7 else would follow up in the event that the payments,
8 you know -- they would expect it to be there the very
9 next day.

10 Q. Okay. Let's go through the list of names
11 that were at this meeting where Mr. Buchanan asked
12 you to make contribution.

13 A. Okay.

14 Q. Okay. The first person?

15 A. Mr. John Tosch, who is Mr. Vern
16 Buchanan's right-hand man, Mr. Mark Ornstein, Josh
17 Farid, David Long, Tom Moore, Shelby Curtsinger,
18 Scott Tomasso, Dennis Slater, Kevin Brodski, Steve
19 Silverio, Jeff King, Josh Farid.

20 I would like to share with you -- as I
21 mentioned before, the level of intensity, if you
22 will, of campaign contributions intensified as time
23 went on. We got to a point where the partners were
24 just joking around, we would walk in a meeting and
25 partners would talk about, Well, how much did he hit



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1 you for? I'm not going to make any money this month
2 so I won't be able to provide any money. Did anybody
3 -- did Vern say to anybody I'm going to -- are you
4 going to get the money back? Do you know who's going
5 to be paying this money back, et cetera?

6 The first round, I wrote the check to him
7 because he had asked me. I did not reimburse myself
8 for that money. He asked me to do it and I did. But
9 later he asked me to raise money, and when I told him
10 that I can't do that anymore, that's when he told me
11 -- in fact, I remember we were at a corporate office,
12 my partner and I. This is right about the time that
13 we were discussing the partnership for Dodge.

14 I had asked him -- he wanted -- I'd asked
15 him to consider taking less for our partnership's
16 buyout. And he said, Okay, I'm going to do this, but
17 I need you to raise -- I can't remember if it was 25-
18 or 50,000. And he says, By Friday I want you to
19 raise that.

20 And when I indicated to him that I don't
21 have that money, he said, Well, don't you have
22 somebody at the dealership you can trust? Just run
23 it through the corporation. And Josh Farid was
24 present with me. He was right behind me when he said
25 that.



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1 So we went to the dealership. I asked
2 several key employees that I had trusted, had been
3 with us for a long time, to write the check. They
4 all told me that they don't have money, but I said,
5 Go ahead and reimburse yourself.

6 So that's what we did. They wrote a
7 personal check, but at the same time -- in fact,
8 before they -- the personal check went out, we issued
9 a check from the company to them. We were not in a
10 position to write \$9,000 checks and then get
11 reimbursed later, so we had to get the money up-
12 front.

13 Q. What was your understanding when
14 Mr. Buchanan told you: Run it through the company?
15 What did you understand he would be telling you?

16 A. My understanding was that he said to have
17 someone write the check personally and then give them
18 back the money through the corporation.

19 Q. To your knowledge, did Mr. Buchanan tell
20 any of the other partners they should do the same?

21 A. Yes, I'm very confident that Mr. Buchanan
22 had individual talks with everyone just like he did
23 with me. One of the things that -- a couple of
24 discussions that I overheard, and one particular
25 meeting I remember I was with Mr. Dennis Slater who



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1 is the company COO. And Vern came up to us and he
2 said, Dennis, I haven't gotten your check yet. And
3 he mentioned something like, Boss, I was hoping to
4 take a pass or something within that nature that no,
5 he had not. And Vern said, Don't worry. You know
6 you're going to get it back. And he kind of tapped
7 him on the shoulder and walked away.

8 And Dennis smiled and he said, You know,
9 this is just getting too much. He's always pounding
10 us, and he doesn't care, we just need to get that
11 money.

12 I also had several other discussions
13 prior to the meeting starting, just having a cup of
14 coffee. Everyone would talk about, you know, the
15 intensity, and how much money Vern needs to collect
16 from them. So Mr. Buchanan spoke more freely, if you
17 will, with the partners, and then that trickled down
18 to the dealership.

19 Typically what would normally happen is
20 partners like me -- I was one of the partners that
21 did better than the rest with respect to our
22 operations, but the rest of them -- I would have
23 general managers or partners who would go to their
24 lower level managers and ask them to write a check
25 for \$500 or a thousand dollars, and then they'd just



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1 reimburse them with cash. That was happening a lot.

2 Mr. Buchanan directly was mostly involved
3 with partners. And the general managers and lower
4 level managers were contacted for much smaller
5 portions, with salespeople, financial managers, et
6 cetera.

7 Q. Do you recall who it was that told you
8 that they were reimbursing employees with cash?

9 A. I can't remember which one of the
10 partners. I believe it was David Long at the Ford
11 store in Sarasota. I had -- a part of my expertise
12 was finance department. And quite often I used to go
13 to other dealerships to train their finance
14 personnel. And I'm also a unique operator, if you
15 will. I was a partner but I was also very, very
16 involved as a hands-on partner.

17 And most other partners were not as
18 active as I am. So for that reason, I was very much
19 involved with everyone from lower level up. And
20 discussions like that took place all the time. I
21 remember I was at a Ford dealership once, and the
22 finance manager was talking to another manager, and
23 he said, I got hit by a thousand bucks, and I'm not
24 giving him the money -- I'm not going to give him a
25 check until they pay me up-front, because I'm not



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11-7565_0032

Sam Kazran

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November 6, 2009

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1 going to wait for it.

2 This was probably -- I don't know if this
3 was the first, the second election time at the Ford
4 store. With respect to other partners, we had
5 regular talks. I mean, in the partners meetings
6 behind closed doors we spoke pretty freely about
7 Mr. Buchanan's campaign contributions.

8 Mr. Buchanan would -- initially he asked
9 for money, and I think if we go back to records and
10 show, as we got closer to the campaign, he became
11 pretty aggressive and was just -- in my case, I'm not
12 sure with the rest of the partners, but right before
13 the end of a quarter or the close time, you would see
14 phone call after phone call after phone call after
15 phone call to me.

16 And Mr. Buchanan, he's not like that,
17 he's very reserved if you will. He does not -- he
18 does not have interactions with partners on a daily
19 basis. But for the campaign contribution, he was
20 just calling -- phones would ring off the hook. And
21 I'm sure -- I don't know when your quarter ends,
22 that's...

23 In one incident, one of the partners had
24 asked him, he says, Vern, you got a lot of money.
25 Why don't you put the money in yourself? And he



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1 said, Well, you know, I can't do that. If I put the
2 money out of me directly that I'm putting my own
3 money in there, it doesn't look as strong as if the
4 money was raised. And he always talked about how he
5 needed to raise 3 million, then it went to 4 million,
6 then it went to \$5 million when the campaign got
7 closer to the actual election date.

8 Q. Let's go back to the list of partners.
9 Why don't you tell us what company they were
10 associated with and whether Vern Buchanan also had a
11 financial interest.

12 A. Yes, Mr. Buchanan was involved in every
13 dealership that the partners had come in. And he had
14 a -- I don't know for certain, but the vast majority,
15 in fact, I'm pretty confident that 99 percent of
16 those he had controlling share in all the companies.

17 The only incident that I know that was
18 not the case was the most recent partnership that him
19 and I had in the Kia dealerships, so I'll go ahead
20 and share with you who they are.

21 David Long was at Sarasota Ford. Tom
22 Moore was initially at Ocala Honda and later into a
23 Ford and Chevy dealership. Ford store in Tampa area
24 and Chevy store also in the Tampa area. Shelby was a
25 partner at Venice Dodge and Nissan. Scott Tomasso



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1 was a partner at the Honda store, I think Space Coast
 2 it was called. Kevin Brodski was partners -- Kevin
 3 was also one of the senior partners, had involvement
 4 in multiple dealerships. Toyota and Lexus in
 5 Melbourne, the Chevy store in Tampa -- the name has
 6 changed a couple times -- a Toyota store in North
 7 Carolina, and I believe there was another -- oh, and
 8 Kevin Brodski was also partners with Scott Tomasso.

9 Steve Silverio was a partner at the Chevy
 10 store in Tampa. Jeff King was a partner at the
 11 Toyota store in Jacksonville, Florida. Dennis Slater
 12 was chief operating officer of the company. He used
 13 to travel to all the dealerships to help out with the
 14 business' pro formas, et cetera.

15 Q. You said Mr. Slater was a C...

16 A. COO, chief operating officer.

17 Q. What company are you referring to?

18 A. Mr. Buchanan's. The company's name is
 19 1099 Management Company.

20 Q. And you said it was Mr. Buchanan's
 21 company. Do you know what percentage of the company
 22 he owns?

23 A. I believe he owns 100 percent of 1099
 24 Management Company. I'm not sure exactly how the
 25 structure is. I do know that Mr. Buchanan is 100



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1 percent decision-maker of that, but normally after
2 the deals are done, then he puts up 1099 Management
3 Company. That was the management company that all
4 the dealerships were reporting to and were paying
5 their fees to.

6 Q. You say paying fees. What do you mean by
7 that?

8 A. Mr. Buchanan had various fees on each
9 dealership. For every car that was sold, the
10 corporate office collected money. The offshore
11 accounts that collected money for extended
12 warranties, et cetera, they had set up accounts, I
13 guess for tax purposes. They called it a Vern's PAC.
14 The partners joked around, it was for his jet, for
15 his office staff, et cetera.

16 Anything that Mr. Buchanan did, he pushed
17 it down to the dealerships and raised the cost on it.

18 Q. Okay. The Federal Election Commission
19 records -- I'm sorry, were you done with the list of
20 partners?

21 A. Correct, yes. There may be a couple
22 more, but I'm jotting them down as I go forward, but
23 for the most part I gave you all that I remember
24 right now.

25 Q. The Federal Election Commission records



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1 show that on or about November 2005 some of the
2 employees at the North Jacksonville Hyundai made
3 contributions to Mr. Buchanan's campaign for
4 Congress. The records show that Gail Lephart, Ernest
5 Lephart, Gary Smith and Diana Smith contributed a
6 total of \$16,800 to Mr. Buchanan's campaign for
7 Congress.

8 Did you ask any of these individuals to
9 make a contribution to Mr. Buchanan's campaign?

10 A. Yes, I did.

11 Q. Why did do you that?

12 A. I instructed them to write a check and
13 reimburse themselves for -- because Mr. Buchanan had
14 asked me to get money. And he specifically told me
15 get someone you trust and run it through the
16 corporation.

17 Q. Okay. And did you get someone that you
18 trusted?

19 A. Yes, Ms. Gail Lephart and D. Smith, he's
20 no longer with us, they were the office managers.
21 Ms. Gail Lephart was our comptroller that I had known
22 and had a good relationship with. And she was going
23 to cut the check. She's the person that cuts the
24 check.

25 And the first time that -- and I think



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1 she's contributed on multiple times, but the first
 2 time that I did, I told her that we'd be getting this
 3 money back from Mr. Buchanan. I said, I don't know
 4 when, he just asked me to do it.

5 But on the second time, in fact, she was
 6 at the office when I was talking to Mr. Buchanan.
 7 And at the time in 2007, I think, or 2008 was the
 8 second one, the company was not doing very good, so
 9 -- and she was not very happy about us writing those
 10 large amount of checks.

11 D. Smith -- another person that
 12 contributed was Josh Farid. I'd asked my brother,
 13 Eric Kazran, to do so. He wanted -- Mr. Buchanan
 14 wanted to get, I think it's nine thousand two or nine
 15 thousand four hundred dollars, and he was always
 16 wanting to make sure the personal checking account
 17 has husband and the wife on it to do both.

18 Who else was it? Oh, Joe Cutaia was
 19 general manager of the store. He also wrote a
 20 personal check and was reimbursed afterwards. And a
 21 couple of times just several days before -- he always
 22 used to call at the end of reporting time. He had
 23 called and asked me how much money I have gotten for
 24 him. And I told him -- I'm not sure if it was 25- or
 25 30,000. And what he said, he said, I need more. I



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1 want you to charge \$10,000 on the credit card that
2 you have and call it Vern's PAC. I'm not sure what
3 that meant, but that's what I did. I charged \$10,000
4 on the company credit card, and I classified it as
5 Vern's PAC.

6 Q. And do you recall what year that was?

7 A. You know, I think it was -- I'm not sure
8 if it was '05 or '06. It might have been '07. I had
9 numerous discussions with Mr. Buchanan with respect
10 to campaign contributions, so forgive me. I have to
11 give you blocks.

12 Q. I'll help you with information from the
13 FEC database for campaign contributions. The FEC
14 records indicate that you contributed \$4,600 to what
15 you've called Vern PAC on or about September 2, 2007.
16 Is this the contribution that you were just telling
17 us about?

18 A. Yes. I remember with the credit card
19 he'd asked me to do \$10,000. It's possible that we
20 used another credit card. I don't know where Vern
21 PAC goes. I had thought that money was going to his
22 management company, because it's called Vern's PAC.
23 It's possible that the \$4,600 might have changed.

24 They have sent checks back in the past
25 because it was for the wrong amount, and they said



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1 this check needs to be redone and send it for a
2 different amount.

3 Q. When you say "they sent it back," who are
4 you referring to?

5 A. The folks that work with Mr. Vern
6 Buchanan. I remember one incident was a check sent
7 out for 9,000 and change. They sent it back and
8 said, That's not correct, there's only one person on
9 that. You need to change it to 4,000 and whatever.

10 Q. When you say the people that work for
11 Mr. Buchanan, are you speaking of the people that
12 worked at 1099 Management Company?

13 A. Yes, there was a -- I can't remember her
14 name. It was not Mr. Buchanan's assistant, it was
15 another lady that helps specifically with the
16 campaigns. And so what Mr. Buchanan would do, he
17 would -- I'm going to use me as an example.

18 He would talk with me, tell me how much
19 money I needed to send and by when. And then that
20 lady would call and follow up to make sure that the
21 check came out. And if the check was an hour late,
22 they would call and apply serious pressure on sending
23 that money.

24 Q. Now, just so I'm clear on this, the woman
25 who would call you, was she an employee of the 1099



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1 Management Company or was she a staff person for the
2 campaign?

3 A. I'm not sure. I don't know how
4 Mr. Buchanan did his deal with them. I don't know --
5 I do know that she became -- she came in the picture
6 after the campaign stuff started, so my guess would
7 be she worked for the campaign part.

8 Q. Okay. I do not want you making any
9 guesses.

10 A. Yes.

11 Q. If you're not sure, you can say so.

12 A. Okay.

13 Q. Do you recall her name?

14 A. I do not. I apologize, I don't know what
15 her name is.

16 Q. If it comes to you --

17 A. She was a spokesperson, I think. I read
18 in an article somewhere that she introduced herself
19 as a spokesperson. But if I recall the name, which
20 is very possible, I'll give you that name.

21 Q. The campaign contribution checks that you
22 wrote, they were sent -- do you recall the address
23 that they were sent to?

24 A. Yes, mostly they would go to the Sarasota
25 address that they would give us. I'm not quite sure



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1 of the exact one, but the initial address was 707
 2 something. I can't remember that. They relocated
 3 since, so that address is not... But I know that
 4 it's been sent to Sarasota. I also know that it has
 5 been sent to another address where they had -- it's
 6 possible it was Washington, but I'm not sure. But I
 7 do know I have sent to two separate addresses.

8 Q. Do you know whether or not the address in
 9 Sarasota is the Ford dealership in Sarasota?

10 A. Correct, yes. The Ford dealership is
 11 where Mr. Buchanan used to stay before they moved. I
 12 don't know how their mail got there, but I do know
 13 that Vern had an office upstairs in the Ford
 14 dealership. That's how I met him for the first time.

15 Q. And you said they moved later on. Do you
 16 know where they moved to?

17 A. They moved also in Sarasota, somewhere
 18 downtown in a separate building.

19 MR. GOULD: Mr. Sovonick has some
 20 questions.

21 BY MR. SOVONICK:

22 Q. Mr. Kazran, first off, do you know a
 23 person named Vincent Sams?

24 A. Yes.

25 Q. Who is that?



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1 A. Vincent Sam is a former partner of mine
 2 that I worked with, and he might be another one of
 3 the folks that I dealt with when I was asked to help
 4 with the campaign. Vincent Sam was -- I met Vincent
 5 Sam several years ago. We worked together, and we
 6 purchased a dealership together in Waycross, Georgia.

7 Q. Okay. According to FEC records, Vincent
 8 Sams contributed \$4,200 to Vern Buchanan's campaign
 9 on January 2, 2006.

10 A. Yes.

11 Q. Was he a person that was also reimbursed
 12 for his contribution?

13 A. Correct, yes.

14 Q. Was he reimbursed through funds from --

15 A. The company, yes.

16 Q. -- from your company? From Hyundai of
 17 North Jacksonville?

18 A. Correct. None of the people that
 19 contributed to Mr. Buchanan, with the exception of
 20 me, which he asked me for the first time, he said
 21 Write the check, they were all reimbursed the same
 22 day. Actually, they got -- the money was deposited
 23 into their personal account so that the checks could
 24 cash, because none of these folks -- these are
 25 ordinary folks that make 2-, \$3,000 a month. They



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1 would not be in a position to write that.

2 Q. With regard to Vincent Sams, did you ask
3 him to do that?

4 A. Correct.

5 Q. And did you tell him that he would be
6 reimbursed?

7 A. Correct. Yes, Vincent Sam, because he
8 was a partner, I spoke freely with him and he was
9 aware.

10 Q. Do you know who Patricia Sams is?

11 A. Patricia Sams is Vincent Sams' wife.

12 Q. Do you know if she also made
13 contributions?

14 A. You know, I think the check that Vincent
15 wrote had both of them. That was one of the things
16 that I was told you got to make sure there's two
17 people on the check to get the most amount.

18 Q. So did you discuss with him that his wife
19 should contribute as well and be reimbursed?

20 A. No, what I told him is, I said, Do you
21 have a checking account that has both your names on
22 it? He said, Yes. I said, Okay, so this will work.
23 Then write the check for that.

24 Q. You mentioned when you were talking about
25 the partners of Vern Buchanan's earlier, you



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1 mentioned a person named David Long.

2 A. Yes.

3 Q. And you also mentioned that you might
4 have had a conversation with him about reimbursing
5 employees at his dealership?

6 A. Yes. David Long and I had -- as I said
7 before, in partners meeting during break and
8 afterwards, before, as time went along, the partners
9 were not too happy about this money we were giving.
10 And David was not very happy about that, you know.
11 Him and I discussed, I said, you know -- I asked him,
12 I said, How much are you writing this time? How much
13 is this costing you?

14 And he goes, Man, I'm getting tired of
15 this every day. I'm getting phone calls, and I just
16 don't have that kind of money.

17 With respect to David Long, I know he had
18 employees that -- there was a finance manager, I
19 think, and a couple of other people. I know there's
20 a lot more, but in a couple of incidents I was made
21 aware of it because I understand that they had a
22 problem with one and that employee came out and -- I
23 don't know if they hadn't paid him the amount of
24 money or he had a problem with his paycheck. And
25 once that came out, then Mr. Buchanan was kind of put



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1 -- distanced himself. He still talked with us, his
2 inner circle, if you will, but with respect to David
3 Long, I did not talk to him. I was in the finance
4 department, and he had a couple of people in there,
5 and one of them were saying, I'm not going to give
6 him any money until they pay me up front.

7 Q. Do you remember who that person was?

8 A. He was the finance director. This was
9 several years ago.

10 Q. Of the dealership that David Long was
11 managing?

12 A. Correct.

13 Q. Okay. We'll get back to that.

14 Is it possible that the person's name was
15 Joe Keezer? Does that ring a bell?

16 A. Yes, it is Joe. He was the finance
17 manager. Now, I think he had a couple positions.
18 Joe was kind of a five-seven, five-eight gentleman.
19 Yes, I think it's Joe.

20 Q. Did you ever have any conversations with
21 David Long specifically regarding reimbursing any of
22 his employees? Did he ever mention that he was asked
23 to do it or if he hadn't done it?

24 A. We all -- this is -- the discussion I
25 remember having with Dave, he was just tired. We



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1 just don't have this kind of money. We're getting
2 pounded all the time about get money, get money, get
3 money. Our cash flow is bad. He was frustrated.

4 My store was one of the more profitable
5 ones, so cash flow was not as big a deal. Obviously
6 I -- but I thought from the beginning that we're all
7 going to get reimbursed for this money.

8 Q. Do you know what Long's relationship with
9 Vern Buchanan is now?

10 A. I don't know. I haven't spoken to him in
11 some time. The last I talked with him was maybe a
12 year ago, two years ago.

13 Q. Are there any other of the partners that
14 you have a clear recollection of them acknowledging
15 that they reimbursed any of their employees for
16 contributions they made to Buchanan's campaign?

17 A. Yes, Mr. -- I was in a partners meeting,
18 I was talking to Mr. Dennis Slater. I can't remember
19 what it was, pro formas, et cetera, and Mr. Buchanan
20 approached and said, Dennis, I've not gotten your
21 check yet.

22 And he said, Boss, I'm hoping to take a
23 pass on it. He looked at him and smiled, Don't
24 worry, you know you're going to get it back. He
25 tapped him on the shoulder and left.



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1 Mr. Josh Farid is my partner. We were
 2 walking out of the hallway when Mr. Buchanan asked me
 3 to raise -- he told me -- I don't remember what day
 4 it was, but that Friday was the end of quarter. And
 5 he said to me, he says, Get somebody you trust and
 6 get the money out of the corporation.

7 He had asked me to get money, I told him,
 8 I said, I thought you said that I'm maxed out? I've
 9 already given you that money. And he said, Well,
 10 just get somebody you trust and run it through the
 11 corporation.

12 Q. Do you have -- do you recall ever having
 13 any conversations with this person Kevin Brodski?

14 A. Kevin -- with respect to specifics, no,
 15 but Kevin Brodski was also, you know, he was one of
 16 the more profitable dealerships. But we all talked.
 17 I mean, the discussions that we had, it was a result
 18 of repeated and numerous requests for money. And
 19 they were expressing disappointment of it, you know,
 20 but I did not have a specific talk with him, Kevin
 21 Brodski.

22 BY MR. GOULD:

23 Q. Mr. Kazran, you used the term "at the end
 24 of the quarter." Was this fiscal, financial quarter?

25 A. You know, it's a good question. To this



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1 day I don't know, but I know that Mr. Buchanan used
2 to say, I've got to report this money by this date,
3 and we got to have more than the other candidate.

4 And that's what he said. This is the end
5 time, this is the end time. It's a reporting. The
6 first couple of times I thought that this was the end
7 for him, there's no more campaigning but, you know,
8 the following day, Well, we got another one that
9 we're starting.

10 But whatever that is, I don't know if
11 it's fiscal year or quarters or whatever that is.

12 Q. Did Mr. Buchanan ever say "this is the
13 end of the quarter"?

14 A. Yes, yes.

15 Q. Okay. Let's go back to the credit cards
16 you made contributions with. Was this your personal
17 credit card or was it the company credit card?

18 A. It was the company's credit card. There
19 were a couple of times we attempted to contribute to
20 it, one time I know the credit card was maxed out and
21 we weren't able to do that. But all of the
22 reimbursements were through the company with the
23 exception of the first time that he asked me and I
24 gave him the money out of my own pocket, which really
25 came out of my paycheck.



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1 Q. Okay. Now, going back to the time frame
2 when Mr. Buchanan was asking you to make these
3 contributions and asking you to get your employees to
4 make contributions, what was the business
5 relationship with Mr. Buchanan?

6 A. I have had a great relationship with
7 Mr. Buchanan up until June of '08. That's when I
8 discovered that he had taken some \$800-or-so thousand
9 out of the company without my consent of the
10 partnership in Gwinnett. At the time the company was
11 not doing good. Him and I had a bad -- once I
12 discovered that that was the case, then our
13 relationship became sour.

14 Q. Okay. And I believe I read this
15 somewhere -- and you can correct me if I'm wrong --
16 the agreement that you entered into with Mr. Buchanan
17 to buy an interest or Mr. Buchanan's interest in
18 Gwinnett, LLC, was in June of 2006?

19 A. That's correct.

20 Q. Now, as we've said, the Federal Election
21 Commission records show that a lot of contributions
22 were made by employees' relatives in June of 2006.
23 Did the contributions have any connection with your
24 business dealings?

25 A. That's the time that he had talked with



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1 me when we were walking in the hallway. The reason
2 you'll see a lot of contributions at that time is
3 that's when I think the corporate office wanted to
4 add another \$10,000 of fee into the dealership, and I
5 didn't want to do that. So we just discuss it. I
6 said, Let me just buy you out. And I was supposed to
7 give him 300,000, I think, or 400,000, but I didn't
8 have the money at the time. So I said I needed to
9 cut that down and do lower amounts and pay you on
10 payments.

11 That's when he told me, he said -- in
12 fact, that Tuesday before the end of the month on
13 that June, I bet you it's one of the close of time,
14 because he told me, he said, Friday is the end and I
15 need you to raise -- I don't remember if it was 25-
16 or \$50,000.

17 And he said, If you do that, then I'm
18 going to take care of that payment. So instead of
19 paying him all at once, he agreed to let me make
20 payments on his buyout portion, but I had to raise
21 that money.

22 If you go back and check, I bet you that
23 whatever that end of June is, my agreement was in
24 June, I don't know what, but it's probably going to
25 be towards the end of June, or maybe beginning, I'm



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1 not sure, but I remember clearly that's when he asked
2 me.

3 Q. And just for the record, as I said
4 before, this is based on information in the FEC
5 database, these contributions were reported as
6 received by the Buchanan campaign committee on
7 June 28, 2006.

8 A. Correct.

9 Q. Okay. That's your understanding that
10 that's the time frame in which you had these
11 discussions with Mr. Buchanan about him not requiring
12 you to make these payments to his --

13 A. Correct. The way I can remember, I don't
14 know what the FEC report says, but the way I can
15 remember is while we were negotiating to buy him out
16 out of the Gwinnett Place Dodge, that's when he asked
17 me, he said, I will agree to take payments instead of
18 one lump sum, but you got to raise that money for me.
19 And when I told him that I don't have it, he says,
20 Well, get somebody you trust and run it through the
21 corporation.

22 BY MR. SOVONICK:

23 Q. Can I ask you a question. You said that
24 he instructed you to get people you could trust.

25 A. Uh-huh.



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1 Q. What did you understand that to mean?

2 A. When I told him that -- he said he wants
3 more money, I think he had assumed that I already
4 know what to do. And I said, You already told me I
5 can't give any money. He says, Don't you have
6 somebody, like your brother or someone you trust that
7 you can get them to write a check for me? And I said
8 sure. That -- and the date that we were walking out
9 of the hall is when he said, Run it through the
10 corporation.

11 So my understanding was: Get someone you
12 can trust, have them write a personal check and
13 reimburse them.

14 Q. Well, what I'm getting to is the trust
15 issue. Was it ever -- was he -- did Buchanan ever
16 instruct you or did he ever imply to you that what
17 this -- what was going on, what he was asking you to
18 do was something that you should keep quiet or not
19 discuss?

20 A. After that day, I got it. I knew that
21 we're not supposed to be discussing this, that that's
22 -- there's -- you have to know, I'm ignorant about
23 this stuff up to that point. I've never contributed
24 to any campaign. I don't know what the laws and
25 procedures are.



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1 I became very aware once we had a problem
2 at the Ford store. But Vern and I had a very, very
3 close relationship. And I think when he told me
4 about trust, I think he just assumed I know what I'm
5 supposed to do.

6 BY MR. GOULD:

7 Q. You said something about a problem at the
8 Ford store. Can you elaborate.

9 A. Yes. Well, the -- a couple of people in
10 the Ford store started to talk about this publicly.
11 And they, you know -- and they were upset at
12 something. And then later it escalated where then
13 the partners were talking about it. And ever since
14 that then, you know, things became very different.

15 Mr. Buchanan, to my knowledge, never
16 would go and talk to entry-level salespeople or all
17 that. If it was a manager that had been with the
18 company for a long time, he would go and talk with
19 them. He would ask them for contribution, but he
20 would promise things, you know. He'd always have
21 some sort of carrot out there, you know. A weekend
22 on my boat or a promotion, things like that. He's
23 always selling.

24 I know that when he was at our
25 dealerships with our senior management, he'd always



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1 tell them, you know, You guys stay with us. You're
2 going to do very good. You know, Sam, why don't you
3 maybe want to get the jet and bring them out and
4 we'll take them out and show them. Then right
5 afterwards, you know, You need to go get money from
6 these people, you know. We need to raise money.

7 Q. You said "raise money." Was it your
8 understanding it was for the campaign?

9 A. Campaign, absolutely.

10 Q. Going back to the Ford dealership, you
11 said that there was a problem with it. Do you recall
12 the names of any of the individuals who were going
13 public with the --

14 A. I know Joe was one, but the day that I
15 was talking -- the Ford store, those two folks were
16 talking, it was the finance director, Joe, and
17 another person. They were just pissed. They said,
18 I'm not going to give him any more money. I need to
19 get that money up front.

20 And for the most part, I would say the
21 vast majority of people, they didn't care, you know.
22 Their boss is telling them to write the check and
23 they'll do it as long as they get reimbursed. But I
24 would be willing to bet that as far as -- I know for
25 certain that with respect to my dealerships, no one



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1 would have extra 500 or a thousand dollars or two --
2 in my case is was \$9,000 -- to contribute. These
3 folks were just -- they're not in that -- they can't
4 do that.

5 Q. You said that Joe was talking to someone
6 else. Was that person a man or a woman?

7 A. He was -- no, the two people in the
8 office, they're both men, yes.

9 Q. Do you recall the name of that other
10 person?

11 A. No, I do not. I apologize. You know,
12 that was the only incident that I heard myself, but
13 there was -- after a while there was rumors
14 everywhere. In fact, I know that it got so bad that
15 Mr. John Tosch had an emergency meeting and says, you
16 know, in the event of possible litigations that are
17 coming and challenges that we have, we're changing
18 company policies.

19 He wanted all the partners to get there
20 and discuss this to -- you know, he said he wants to
21 change some rules of the company. And I know that we
22 discussed the lawsuit in the partners meeting. I
23 can't remember when it was.

24 I'm trying to remember if it was in '07
25 or '06. I can't remember what the date was.



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1 Q. The lawsuit, what lawsuit was that?

2 A. Well, Mr. Tosch sent out a memo, and he
3 says, In light of all possible litigations, we are
4 changing some policies. And it was kind of an
5 important unexpected meeting that he wanted to talk
6 to everyone about what's going on.

7 Q. So it was basically an invitation to a
8 meeting?

9 A. Correct.

10 Q. And did this meeting take place?

11 A. Yes. I did not go to that meeting. I
12 had an arrangement with a manufacturer that -- those
13 days before that.

14 Q. Did anyone who attended the meeting tell
15 you what had happened at the meeting?

16 A. I know that Mark Ornstein had come by --
17 Mark is the company's attorney. He represented
18 various dealerships for various matters. And he had
19 -- I guess my recollection is that he had come by and
20 told them -- he had told them that this guy is pissed
21 off, we need to be more careful. From now on we're
22 not hiring people that are -- have money problems.

23 He indicated that this guy had been fired
24 somewhere else for running his mouth and trying to
25 sue people. I don't know who he was referring to. I



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1 wasn't there, but this is kind of a trickle-down
2 rumor.

3 Q. Do you know who this person -- this guy
4 who was being referred to?

5 A. I'm not sure. At the time I was much
6 more focused on dealing with my own business affairs,
7 and I've never actively looked or investigated or
8 learned more about this. In fact, quite to the
9 contrary, I always wanted to be as far away as
10 possible.

11 I wouldn't even be here if Josh, my
12 former partner, did not express to John Tosch how
13 frustrated he was with this campaign stuff and,
14 obviously, a phone call from you folks. This is not
15 the type of things that I like to do.

16 So you folks had called one of my
17 employees or sent him a letter, I don't know which
18 one it was, and they were very scared. They said,
19 you know, they didn't even know who federal campaign
20 commission was. They just heard "federal" and they
21 got scared, so that's why I wanted to make sure that
22 I cleared they had nothing to do with this.

23 Q. Now we can go back on the record.

24 Mr. Kazran, you had mentioned a gentleman
25 by the name of Shelby Curtsinger. Remind me, which



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1 dealership was he associated with?

2 A. Curby was a partner in Venice Dodge and
3 Venice Nissan. Curby is a store that they had -- I
4 think that's the one that they had paid cash -- I
5 can't remember if it was a GM or GSM that had spoken
6 to their salespeople and the lower level management
7 and they just give them cash to write the check for
8 Mr. Buchanan's campaign. I'm sorry, go ahead.

9 Q. You used the term GSM or GM?

10 A. Yes, general sales managers, I apologize,
11 and general managers. They're senior management.
12 Typically speaking, the partners would have the
13 general managers who are their right-hand man, and
14 obviously they probably work together for some time.
15 And they're the ones who would help raise money and
16 run the company.

17 So, you know, in that particular instance
18 I know that there was a problem because they were too
19 open about it. I can't quite recall, but I think
20 that's when one of the senior managers had gone to a
21 meeting and said, We're raising money for Vern and
22 write me a check. And he was reimbursing them right
23 there and then. And this type of thing was happening
24 pretty often.

25 And again, as I said before, these are



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1 regular folks. We're not involved in this type of
2 thing. It's no big deal. I mean, all along up to
3 the very last few months that Mr. Buchanan became
4 very aggressive and threatened me, I thought he just
5 doesn't want anybody to know that it's his own money.
6 He told me that if I use my own money it's not going
7 to look good, I've got to have other people, you
8 know, write me checks to show that -- you know.

9 He says, I know I've got my own money,
10 but it's just never going to look as good. He even
11 used an example. Some other guy, he said, put his
12 own money in there but he didn't win because it was
13 not the people.

14 So that was my impression of why he
15 wanted to do all this stuff. As far as it being
16 illegal, I'm very confident no one knew that these
17 type of things are federal violations.

18 Q. Did you ever have any conversations with
19 Mr. Curtsinger about these contributions and the
20 reimbursements?

21 A. Specifically after that, no. As I said,
22 once these things -- you know, there was a couple of
23 problems that blew up and they were all over the
24 media, the finance director in Sarasota, Florida, I
25 know a couple at Venice Nissan. But once that



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1 happened, Vern -- I know he spoke with me, John Tosch
2 was also speaking, it kind of stopped. We cannot be
3 doing it in this open manner.

4 I think Vern applied too much pressure on
5 the partners, and it just -- you know, when your boss
6 tells you you need to get this money for me, you just
7 go get it, you know. And at any given time every
8 partner or general manager or general sales manager
9 is either hoping to get a promotion or a new
10 partnership and that was always leverage, so...

11 Q. At any of the partners meetings that you
12 attended, was there a discussion about these problems
13 about people talking about the reimbursements?

14 A. Yes. We -- you know, we kind of had off
15 record and on record talk. Mark Ornstein normally
16 would be the person who explains the rules. Off
17 record, you know, with Shelby, I remember one time
18 him, me and a couple -- I want to say it was Steve
19 Silverio and Dennis. And Shelby was expressing --
20 because cash flow was really, really bad, we're not
21 going to be doing this, plus all the headaches and
22 problems with the store. He expressed he was pretty
23 much done with it.

24 Steve Silverio was another guy that had a
25 talk with me, and he said -- I think he was one of



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1 the guys that gave Vern some money. I don't know how
2 much, but he told me, he says, I am not -- he says,
3 Vern has got plenty of money himself. If he wants to
4 give me the money upfront, then I'll do it, but I'm
5 not advancing the money upfront anymore.

6 BY MR. SOVONICK:

7 Q. Yes, you said that during this
8 conversation that you remember with Curtsinger he
9 said that he's not going to be doing this anymore,
10 was he referring to reimbursing his employees?

11 A. Yes. We used to joke a lot about this
12 before the meetings, having coffee, you know. I
13 remember the partner in Bowling Green from Mercedes
14 Benz being -- I can't remember what his name was.

15 Q. Is that in Kentucky?

16 A. Correct. Scott -- I don't know what his
17 name is, because it's been quite some time. That
18 dealership had several partners, but he said, So how
19 much are you guys getting hit for? You know, I got
20 hit for five grand last week or ten grand. Numbers
21 like this. And we would just joke around about it.

22 But as I said, I think this was kind of a
23 favor for Mr. Buchanan at first, but then nobody got
24 their money, and then pressure applied and, you know,
25 after a while everybody was just kind of fed up with



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1 it.

2 BY MR. GOULD:

3 Q. Let me go back to something that we've
4 discussed a little bit, and that's the use of the
5 company credit card to make contributions. I believe
6 you told us that you made a contribution to a
7 committee called Vern PAC with the company credit
8 card. Do you recall contributions to other political
9 committees where you used the credit card?

10 A. No. The only person I've ever donated
11 money to with -- is what Mr. Buchanan told me. Just
12 for his. I know he's been involved in several other
13 ones. I don't know much of the detail. I know that
14 he was actively involved with Senator Mel Martinez.
15 I know he had several discussions about him helping
16 Senator Mel Martinez and that, you know, he said he's
17 going to be senator, I'm going to be governor, but I
18 don't really know the details in that.

19 Q. And just so I'm clear on this, did
20 Mr. Buchanan tell you to use the credit card?

21 A. Himself, yes. Mr. Buchanan had direct
22 discussions with me every single time. He would have
23 someone to call. I don't know what discussions they
24 had, but they would say, Mr. Buchanan told me that
25 you would be sending a check. I want to make sure



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1 you have the address. Have you sent it?

2 But he would call me directly and talk
3 with me. What he said to me with respect to the
4 credit card, he says, I want you to get the card --
5 whomever it was, the lady, I gave them my card
6 number, but Vern said ten grand.

7 There was another time that I give credit
8 card. She called me and said the credit card wasn't
9 -- the limit on it was maxed out at the time, but we
10 would just give this lady the credit card. I don't
11 know how, where they charged it for, but what he told
12 me, he said, Classify it as Vern's PAC.

13 Q. Can you give me -- to the best of your
14 recollection, how much of the Hyundai of North
15 Jacksonville Company money was used for contributions
16 to Mr. Buchanan's 2006 campaign?

17 A. Well, it wasn't just Hyundai of North
18 Jacksonville. It was other -- specifically Gwinnett
19 Place Dodge as well. What happens is we had a
20 centralized accounting with almost everything, the
21 payroll, the insurance, et cetera, would go through
22 Hyundai. So Hyundai would pay, then the other store
23 would do an intercompany transfer.

24 Over all, I believe we were over
25 \$100,000. I know that at one point when I was



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1 talking with Mr. Tosch, I sent him an e-mail, had
2 some \$80-something thousand did not include the
3 credit card and it did not include the money that I
4 wrote, which I never expected to get back. But very,
5 very close to \$100,000 is what...

6 Q. Were there any employees at Gwinnett who
7 made the contributions and then were reimbursed?

8 A. Well, Vincent Sams and Josh were helping
9 -- and Gail Lephart, they worked for both the
10 dealerships. They had -- Gail was overseeing the
11 office there. Josh also would help me with that, and
12 so did Vincent Sams. And, as you know, we don't have
13 access to our records now with the receivership, but
14 I'm pretty confident that it's close to 100,000. I
15 don't know how much the ones we gave you, so there is
16 possibly two or three more names there.

17 If you folks give me -- I don't know if
18 you guys keep track of the people that donate money
19 to -- if you have the names, I can read them and I
20 can share with you if I recognize any of them.

21 Q. Were there any of those partners that --
22 you had said before if you thought -- if you could
23 remember any other names that you would tell us.

24 A. Yes. Well, here's a couple. I shared
25 with you the conversation Vern had with Dennis



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1 Slater. I know the partner in North Carolina,
2 Gruisko, I believe that's Jim, and I know that Jim
3 had spoken to someone, to another partner who shared
4 with me. He said, You know, Jim went out and paid
5 Vern, but he turned around and bought furniture for
6 himself.

7 Q. Can you explain. He bought furniture for
8 himself with -- why don't you explain that.

9 A. Yes. So after this, you know, the level
10 of intensity that went up, and when this -- these
11 things happened with Sarasota Ford and the managers
12 complaining, the contributions were -- Jim Gruisko
13 apparently, from my understanding, that he
14 contributed to the campaign and then went out and
15 bought furniture for himself for the company.

16 See, what happens is Vern's a percentage
17 partner and the other partners are percentage. Well,
18 if you take \$10,000 or \$5,000 out of the company, his
19 shares are not going to be there too. But it's my
20 understanding that the money that was contributed to
21 the campaign, he paid for himself with his check and
22 then he went out and got the money out of the company
23 and bought furniture with it.

24 I don't know what kind of furniture, all
25 that, I just overheard that's what Jim had done.



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1 BY MR. SOVONICK:

2 Q. Mr. Kazran, I'm going to take you back to
3 Josh Farid, how do you spell his last name?

4 A. It's F-a-r-i-d.

5 Q. Do you know his wife's name?

6 A. Yes, it's A-t-e-f-e-h.

7 Q. Do you know approximately when Josh
8 contributed?9 A. Well, I know when we went back from the
10 partners meeting in '06, but it's very possible that
11 he contributed later too. As I mentioned,
12 Mr. Buchanan frequently talked to me about this so,
13 you know...14 Q. Do you know if his wife contributed as
15 well?16 A. Well, the check that they wrote, Josh was
17 very well aware because he knew Mr. Buchanan and
18 several discussions I had on the phone, Josh had been
19 with me, so he knew that he was -- it was supposed to
20 be two checks.21 Josh was very frustrated, and he sent out
22 an e-mail to Mr. John Tosch expressing he was very
23 mad at me when Mr. Buchanan -- when he took this
24 money out of the bank -- not the campaign but several
25 hundred thousand dollars, we -- our company wasToll Free: 800.322. [REDACTED]
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1 having cash problems. And Josh several times told
 2 me, You need to go to Vern and ask to pay this money
 3 back. We need it. And then John Tosch really made
 4 Josh upset, he never was paid any of his...

5 Q. Just one other question about Josh, then
 6 I'm done, Jack. Do you happen to know where he
 7 lives? What his home address is?

8 A. He lives in Jacksonville. I don't know.
 9 He lives on Southside. I don't know his exact
 10 address, but it's right -- Southside, Deer Creek
 11 area.

12 MR. SOVONICK: Okay, great.

13 BY MR. GOULD:

14 Q. If at a later time you recall his
 15 address, will you please contact us?

16 A. Yes, of course. I just have to call him.
 17 He does not actively work with me anymore, but we...

18 Q. Okay. Getting back to contributions made
 19 by your employees, the FEC records show that you
 20 contributed \$4,600 to Vern Buchanan for Congress on
 21 or about September 2, 2007. Was this contribution
 22 made in connection with any of your business dealings
 23 with Mr. Buchanan?

24 A. Correct. All of -- every contribution
 25 made to Mr. Vern Buchanan was not because we wanted



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1 to -- I mean, the first check that I wrote, I had
2 assumed that he wanted me -- you know, my senior
3 partner wants me to write a check, so I'm not going
4 to question it. But afterwards, every money that we
5 gave him, we had to -- we reimbursed out of the
6 company.

7 Q. What business dealings did you have going
8 on with Mr. Buchanan in that time period, which again
9 is the end of 2007?

10 A. Well, Mr. Buchanan had a first right of
11 refusal with me when the Gwinnett Place Dodge was a
12 dealership that was awarded to me by Chrysler
13 Corporation for free. But when I went to purchase
14 it, Mr. Buchanan said that I have a first right of
15 refusal and I can't have it, so I was forced to give
16 him 51 percent. But then later when I wanted to buy
17 it, he says, You can pay me a million dollars, but in
18 lieu of doing payments, he wanted me to commit to
19 money to the campaign.

20 And that -- and the second time that he
21 was running, we were in the process of buying the Kia
22 dealership. But, you know, I was a pretty good
23 partner, if you will, with Mr. Buchanan, so he always
24 -- he always said, I'm counting on you now. You're
25 the only one that can raise this kind of money. Make



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1 sure you get it. Make sure you get it.

2 There would be times that Mr. Buchanan
3 would call me in a week's time several times. I
4 mean, very aggressively too. I mean, I remember
5 having two, three phone calls in a two, three-day
6 period.

7 Now, if you guys go and check the close
8 of reporting, that quarterly reporting, you'll see
9 that, you know, at the beginning you get a small
10 amount, but then towards the end of it he would
11 always expect us to do more.

12 (FEC Exhibit 2 was marked for
13 identification.)

14 Q. Mr. Kazran, I'm going to hand you a
15 document that has been marked for identification
16 Exhibit 2. It is a five-page document and the first
17 page has a heading that says Confidential Settlement
18 Communication. Please take a look at that document.

19 A. Yes, I recognize this.

20 Q. Please tell us what this document is.

21 A. This document is an agreement between me
22 and Mr. Vern Buchanan after I discovered that he had
23 embezzled money from the company. And the e-mail to
24 Josh had said he came in the picture, and prior to
25 that he hadn't spoken to me.



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1 And just to make a long story short, he
 2 agreed to pay me back the one and a half million
 3 dollars that was a result of the damage that was
 4 caused to the company from 8- or \$900,000 of money he
 5 had taken out plus the payments that I had made to
 6 him. Plus at the time I did not want to have any
 7 more partnership with him. And I wanted him to buy
 8 out the partnership from the Kia store. So he agreed
 9 to pay me \$2.9 million. This was shortly -- this was
 10 right before the election.

11 But I decided not to go through this.
 12 2.9 million, and I'm glad you brought this up because
 13 I want to put on record at no time I ever acted to
 14 financially benefit from this. In fact, quite the
 15 contrary, I've been doing my best to avoid this.

16 But Mr. Buchanan told me that he will pay
 17 the money that he owes, and he will buy out his
 18 portion of the company and we were going to split the
 19 company. He signed the contract, and this is what he
 20 wanted me to do.

21 Q. Mr. Kazran, will you turn to the last
 22 page of Exhibit No. 2, the signature lines.

23 A. Yes.

24 Q. Do you recognize the signature of -- tell
 25 me which signatures you recognize.



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1 A. It's Mr. Vern Buchanan's signature and
2 Mr. John Tosch.

3 Q. And how is it that you recognize these
4 signatures?

5 A. I have seen these signatures several
6 times. Mr. Buchanan and I have had several contracts
7 together. I'm confident that's his. Plus this
8 document came from their attorneys, and I have an
9 e-mail that says Mr. Buchanan signed the documents.
10 We need Mr. Kazran to sign so that we can proceed
11 with funding.

12 Q. Mr. Kazran, Exhibit 2, does this appear
13 to be a true and correct copy of the Confidential
14 Settlement Communication that was given to you by
15 Mr. Buchanan's attorney?

16 A. Correct.

17 Q. Do you know who prepared this document?

18 A. Yes, Mr. Vern Buchanan's attorneys, their
19 name is Lindell & Farson and Mr. Mike Lindell.

20 Q. Was Mr. Buchanan present during the
21 settlement negotiations?

22 A. I had spoken to him several times on the
23 phone. We did discuss on a conference call this
24 agreement and the dollar amounts of it. Most of our
25 communications were on the phone.



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1 Q. Was this agreement important to you?

2 A. Yes. This agreement would have saved my
3 company and almost 500 employees that were working.
4 I was very, very much in need of this money.

5 Q. Okay. Mr. Kazran, I would like you to
6 turn to page 4 of Exhibit No. 2, and I want to draw
7 your attention to what appears to be paragraph No.
8 12.

9 A. Okay.

10 Q. For the record, paragraph 12 says:
11 Further conditions to the disbursement of the escrow
12 amount are as follows: Subparagraph A, Kazran's
13 execution of the affidavit attached hereto as Exhibit
14 A.

15 And you had seen this paragraph in this
16 agreement?

17 A. Yes, but that was -- I thought the
18 affidavit that they're talking about -- and, in fact,
19 there should be an affidavit that described the
20 schedules of the contract. But the reason I chose
21 not to sign this contract was because... I'm sorry.
22 I apologize. I didn't mean to talk over you.

23 (FEC Exhibit 3 was marked for
24 identification.)

25 Q. Would you mark this as Exhibit 3.



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1 Mr. Kazran, I'm handing to you a document
 2 that has been marked for identification as Exhibit
 3 No. 3. It is a two-page document. The heading of
 4 the document is, it says Affidavit of Sam Kazran,
 5 a/k/a and it has a different spelling of your last
 6 name.

7 A. Correct.

8 Q. And at the bottom of this document,
 9 Exhibit No. 3, the word Exhibit A. Would you take a
 10 moment to look at this document.

11 A. Yes. Yes, I remember this.

12 Q. Okay. This Exhibit No. 3 you've seen
 13 this before?

14 A. Yes.

15 Q. Is this the affidavit that is referred to
 16 in Exhibit No. 2 with the Confidential Settlement
 17 Communication?

18 A. No, this was an affidavit that
 19 Mr. Buchanan did not want to talk, in fact --

20 Q. Hold on. Mr. Kazran, maybe I'm all wrong
 21 about this. This talks about the attachment --

22 A. This right here.

23 Q. Right. Which is --

24 A. This affidavit. I'll show it to you.

25 Q. Well, I'm just telling you, Mr. Kazran,



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1 execution of the affidavit attached hereto as Exhibit
2 A, and this document at the very bottom says Exhibit
3 A. I just want to know --

4 A. Correct.

5 Q. My assumption that this Exhibit A and
6 that Exhibit A --

7 A. Yes. No, I apologize.

8 Q. No, no, please. If I'm wrong about that,
9 you know, tell me.

10 A. I'm telling you what happened is they
11 tried -- this exhibit was...

12 Q. Mr. Kazran, I previously asked you
13 questions about Exhibit No. 3, the affidavit of Sam
14 Kazran that at the bottom of that exhibit is the
15 words "Exhibit A" typed on it. And my question, I
16 believe, was: Is this document, Exhibit A, is this
17 the Exhibit A that is referred to in the Confidential
18 Settlement Communication which we have marked for
19 identification as Exhibit 3?

20 A. Yes. Sorry about that. The A and the 3
21 confused me. This is the affidavit that Mr. Buchanan
22 wanted me to sign, and it was going to be a condition
23 of this contract except they never brought it up with
24 me until afterwards. Initially, I had thought that,
25 you know, normally when you do a contract there are



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1 exhibits there, but after Mr. Buchanan signed this he
 2 called me a couple of hours later and he said,
 3 Congratulations. He asked me to come to Sarasota and
 4 meet him.

5 When I went there, he had told me his
 6 attorney had prepared this affidavit and he wanted me
 7 to sign it. And I was so desperate to save my
 8 company that I would probably have signed it had it
 9 not been because of my wife and my attorney, who my
 10 attorney said, Sam, this is a bad person. I'm
 11 surprised that he would go to this extent. And I
 12 knew exactly why he did that. He knew how desperate
 13 I was, and he wanted to use that opportunity to get
 14 that.

15 But this affidavit basically wanted me to
 16 say that Vern had no idea about this and that I'm the
 17 one who did all of it, which is absolutely incorrect.

18 Q. When you say "about this," what are you
 19 referring to?

20 A. The campaign contributions. He wanted me
 21 to say that Vern had nothing to do with campaign
 22 contributions. When I said no to them, Mr. John
 23 Tosch said, Sam, you want this money? You have five
 24 minutes to sign this contract -- to sign this
 25 affidavit or the contract is not going to go through.



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1 Q. Let me go through some of this affidavit.
2 First of all, who gave this document, this affidavit
3 to you?

4 A. My attorney. This was sent -- this was
5 prepared by Mr. Vern Buchanan's attorneys and sent to
6 our attorneys.

7 Q. Does this document which we have marked
8 for identification as Exhibit No. 3, does this appear
9 to you to be a true and correct copy of the affidavit
10 that you had just told us about?

11 A. Correct.

12 Q. Did Mr. Buchanan discuss this affidavit
13 with you?

14 A. Absolutely.

15 Q. When was that?

16 A. This was right after he signed the
17 contract, he asked me to meet him in Sarasota. I
18 did. And he said, I need a favor. I need you to
19 sign this affidavit. He mentioned that there's so
20 much heat and lawsuits going on that he did not want
21 any more of this.

22 You know, I was so excited to save the
23 company, I said, Sure. But when I read it, I became
24 very uncomfortable. And I wanted to be honest, I
25 said, Look, Vern, you know, I've never wanted to



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1 bring this up. You want me to sign something that's
2 fine, but I can't be lying and putting myself in a
3 spot. So when I said no to him, he was, Okay, no
4 problem, we'll talk about that. And then he began
5 talking to me about how he's going to be the governor
6 and I shouldn't be this -- I don't want him to be
7 against me but on my side.

8 But the following day Mr. John Tosch told
9 me he was frustrated, very frustrated with me when I
10 told him I can't sign this. Mr. John Tosch told me,
11 Sam, you got five minutes to sign this document or
12 the deal is off. And when he said that, I became
13 frustrated, and I said, That's fine. We're going to
14 go to court.

15 And I want to put on record here I was
16 very, very tempted -- this was just before his
17 election -- to go public with this, but I did not do
18 it. My wife prevented me from doing so but this --
19 by not signing this, I lost my company. And I'm very
20 frustrated about it because this has nothing to do
21 with the other, absolutely nothing to do with the
22 other.

23 Q. When you say "nothing to do with the
24 other," what do you mean?

25 A. The contract. What -- this money that he



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1 is going to pay was money he took out. Now, there
2 are two sets, the campaign contributions and the
3 contract that he signed to buy out my shares and his
4 shares had absolutely nothing to do with each other,
5 but he made it a condition afterwards and he did --
6 if I did not sign the affidavit, to blame everything
7 on me, then there would be no agreement and contract
8 to purchase out the dealership and give me back the
9 money.

10 Q. Let me just ask a question for
11 clarification. You said that there was two
12 categories of money. Was this agreement intended to
13 give back money to the company that the company had
14 spent reimbursing employees and others to make
15 contributions?

16 A. This contract, the one that -- it's for
17 \$2.9 million?

18 Q. Which is Exhibit...

19 A. It's Exhibit 2. No, this has nothing to
20 do with the other one. Up to the point --

21 Q. The "other one" being?

22 A. The affidavit.

23 I have never asked or brought this up
24 with Mr. Buchanan. He's the one who started it.
25 He's the one who filed the lawsuit, otherwise I would



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1 have never filed a lawsuit against him. He's the one
2 that brought this up, otherwise I wouldn't -- you
3 know I've been trying to avoid you folks for some
4 time.

5 The agreement that I made with him on
6 this is exactly the dollar amounts, not a penny more
7 than what he cost the company. And I have receipts.
8 That's sales tax, health coverage and the money that
9 he took out of the bank account. I have -- I know
10 that I've had so many people have attempted to get
11 their hands on this. I've been offered to have
12 complete immunity if I go public, if I give him this.

13 I've had offers to go public and they
14 would not mention my name. And I know that this -- I
15 know what he did was wrong. He thought that because
16 I'm so desperate I'm going to sign this. And I know
17 that the consequences was so bad, but he's just not a
18 good person.

19 I could not see -- I mean, I was tempted.
20 I was tempted to sign and get him off; I would have
21 done anything to save my company, but I didn't. And
22 after they backed us out, I wanted to destroy him by
23 going public and showing this. And my wife prevented
24 me from doing it.

25 And you're the only other person that



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1 I've shared this with. Although it's very tempting
2 to expose him because he's not the person that he
3 said he is.

4 Q. So, Mr. Kazran, then why have you given
5 us the information? Why have you cooperated with the
6 FEC by answering subpoenas and appearing here at the
7 deposition?

8 A. Two reasons. It's not about money. The
9 money part of it was gone a long time ago. I wanted
10 to make sure my employees are not harmed, and I
11 wanted to make sure that Vern Buchanan has several
12 times discussed -- he doesn't come out and say, I'm
13 going to get you, but he makes comments, Look, I'm
14 going to be the governor some day. You want me to be
15 on your side. I'm the only person that can help you.

16 And he's also said, And you don't want to
17 be in litigation with me. I knew that I would create
18 an enemy. And just shortly after this, he started to
19 -- he sued my wife for this. And that's -- and at
20 that time I decided that, Look, I don't care about
21 the money. I'm not doing this to get money out of
22 him. I've had several opportunities and I have not.
23 I'm doing this because it's the right thing to do.
24 I'm doing this because I want Mr. Buchanan to be seen
25 as he is and not anything else, so...



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1 Q. Mr. Kazran, referring you back to Exhibit
2 No. 3, which is titled the Affidavit of Sam Kazran,
3 drawing your attention to paragraph No. 4 which
4 states: During the course of tense and somewhat
5 hostile negotiations between my lawyers and me and
6 representatives for Mr. Buchanan, I advised a
7 representative of Mr. Buchanan that one or more of
8 the dealerships of which I was in operational control
9 had reimbursed certain individuals who had
10 contributed to the Buchanan for Congress campaign.

11 Mr. Kazran, when did the tense and
12 somewhat hostile negotiations take place?

13 A. That's an inaccurate statement. I never
14 had a hostile...I have been -- I've been frustrated,
15 but I've never been hostile to them. And this
16 paragraph is far from the truth. Josh Farid sent out
17 an e-mail to John Tosch because he wanted me and Vern
18 Buchanan -- he wanted me to tell Vern Buchanan to put
19 this money back in the company. This was almost
20 \$100,000.

21 And I sent out an e-mail to John Tosch
22 when he made a comment that, you know, your company
23 is going to -- the cookie is going to crumble and
24 we're going to take it over if you don't work with
25 us. And I sent him an e-mail and I said, you know,



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1 You're a dirt bag. I've done so much for you guys,
2 and I'm not even asking for anything other than give
3 me back the money which you've taken business which
4 is going to go for payroll. That has been the only
5 discussion. I don't find that to be hostile.

6 And he tried to make it sound like he had
7 nothing to do with this. This is far from the truth.

8 Q. When you say he said he wanted it to
9 sound like he had nothing to do with it --

10 A. That's what I'm talking about.

11 Q. Who are you referring to?

12 A. Mr. Vern Buchanan. Mr. Vern Buchanan.
13 He has been involved all along. Nothing goes on in
14 that company without his knowledge.

15 Q. In paragraph 4 it says: I advised a
16 representative of Buchanan that one or more of the
17 dealerships of which I was in operational control,
18 had reimbursed certain individuals who had
19 contributed to the Buchanan for Congress campaign.

20 Who is the representative that you were
21 referring to?

22 A. I don't know what he's talking about.
23 The only thing -- I sent out an e-mail to John Tosch,
24 told him that if this money could go towards payroll,
25 but this -- this is why I wanted you folks to grab



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1 that e-mail because it will clearly show -- this
2 thing was not something that he knew right then and
3 there. This is something that has been ongoing for
4 several years.

5 Q. Okay. Well, I didn't mean to imply that
6 you wrote this affidavit. You've already told us
7 that someone else wrote it.

8 A. Correct, yes.

9 Q. But this affidavit says that one or more
10 of the dealerships. At the time that this was
11 occurring when they were asking you to sign this
12 dealerships -- to sign this affidavit, which
13 dealerships were you operational -- did you have
14 operational control of?

15 A. I had -- the ones that Mr. Buchanan and I
16 were involved were Premier Dodge, Kia of The Avenues,
17 Kia on Atlantic. And I had already purchased in
18 2008, I had already finished making the payments for
19 Hyundai of North Jacksonville.

20 MR. SOVONICK: What about the dealership
21 in Georgia?

22 THE WITNESS: Gwinnett Place is Premier
23 Dodge, Gwinnett, LLC.

24 MR. SOVONICK: That's the one you had
25 operational control of?



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1 THE WITNESS: Correct.

2 BY MR. GOULD:

3 Q. Mr. Kazran, going back to the affidavit,
4 at that time period did you have a list of the
5 individuals who had contributed and were reimbursed
6 for contributions?

7 A. The e-mail that I sent John Tosch, I sent
8 him the check -- I said, This is the dollar amounts
9 that you guys took that I'm supposed to get back.
10 Remember, this is the campaign money. Mr. Buchanan
11 was supposed to put back the money he took out of the
12 company.

13 And I sent out the checks to show him the
14 money that Vern got. And I can't remember when that
15 was. And I don't remember specifically which ones,
16 but...

17 Q. You sent a copy of the actual checks?

18 A. Correct, the checks that we wrote to
19 Mr. Buchanan's campaign. And I basically said, Look,
20 we need this money back in the company to operate.

21 Q. And that was in an e-mail, an attachment
22 to an e-mail?

23 A. Yes, that's correct.

24 Q. That you sent to Mr. Tosch?

25 A. Correct. This is why I wanted you guys



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1 to see this.

2 MR. SOVONICK: This is the e-mail that
3 you already told us that you had saved on the
4 computer?

5 THE WITNESS: Correct.

6 MR. SOVONICK: At your Kia office?

7 THE WITNESS: Correct.

8 Q. Drawing your attention back to the
9 affidavit, paragraph 5 states: Before September
10 2008, neither I nor to my knowledge any other person
11 who had ever advised Buchanan or any of his
12 representatives had any information that one or both
13 of the dealerships referred to in paragraph 1
14 reimbursed certain individuals for contributions made
15 to the Vernon G. Buchanan for Congress campaign.

16 Is that a correct statement?

17 A. That is an absolute lie. Mr. Vern
18 Buchanan -- well, let's put it this way. I'm
19 surprised that they're putting that in there, because
20 not only he's had personal talks with me, I've had --
21 Josh Farid has heard him, Gail Lephart on the phone
22 has heard him. All these partners know. For them to
23 put this in this affidavit, I find that to be
24 ridiculous that he says no one had information.

25 I would invite you to check my phone



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1 records. You'll see it's always congruent with the
2 dates that they closed the campaign quarter, whatever
3 you call it. You'll see a few days before that, it
4 starts, the phone calls increase from Mr. Buchanan to
5 me.

6 Q. Mr. Kazran, you remember you are under
7 oath.

8 A. Yes.

9 Q. Is it your sworn testimony that
10 Mr. Buchanan was aware of these reimbursed
11 contributions?

12 A. Of course. Absolutely.

13 Q. And please state how he was made aware of
14 the reimbursed contributions to his campaign.

15 A. How he was made aware?

16 Q. Yes.

17 A. Well, he knew it when we were reimbursing
18 him. As far as this what he says in the affidavit,
19 we never had a hostile -- the only thing that I did
20 was send him an e-mail with copies of checks to get
21 money back.

22 And other than that, he's had a talk with
23 me after Josh Farid had sent, and he said, Sam, you
24 know what I'm going through right now. This is not
25 the kind of thing I want to do. We'll work this out.



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1 Don't worry about it. I've had numerous discussions
2 with him. For him to come and say that he had no
3 knowledge of it is...

4 MR. SOVONICK: Mr. Kazran, going back to
5 the previous testimony that you've made today,
6 isn't it true that you were initially approached
7 by Mr. Buchanan who instructed you --

8 THE WITNESS: Every time.

9 MR. SOVONICK: -- to reimburse your
10 employees with the company money and
11 contribute to his campaign?

12 THE WITNESS: Right. He said get
13 somebody you trust, run it through the
14 corporation. And Josh Farid was present there.

15 But, you know, what I would really like
16 for you folks to do, I'm sure that probably mine
17 was more because my store was more profitable,
18 but you guys should go and look at the rest of
19 those dealerships and look at the campaign
20 contributions, and you'll find very similar
21 stories.

22 Q. Mr. Kazran, you said that you had
23 conversations with Mr. Buchanan. Have you had any
24 conversations with him regarding all the news that
25 had been coming out regarding the campaign



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1 contributions and reimbursements?

2 A. The last time that I talked with him was
3 one conversation after I did not sign this affidavit.
4 He told me, Sam, you know I'm in this heated race.
5 Towards the end he was very nervous. He said, I'm
6 going to help you. I've already signed the contract.
7 You know all these things that are going on, all
8 these Democrats trying to ruin my name and
9 reputation. I've been very good to you. Why do you
10 want to do this?

11 And I said, Vern, I've never been a
12 person that's been -- I told him, I said, You know,
13 As much as I liked to go to these newspaper companies
14 or columnists, I've never done it. I don't intend to
15 do so. He was very, very concerned about his name
16 coming out anymore.

17 He -- while he was signing this contract,
18 at about the same time, he filed a lawsuit against
19 me, which was later dismissed, in Duval County for
20 one purpose only, and that's to prevent me from ever
21 filing anything that would damage his name in
22 Sarasota. And later the judge dismissed it and said
23 the venue here is in Sarasota. You've got to go back
24 there. But he's very concerned about this.

25 I'm honestly surprised that he would make



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1 comments as if he's unaware of all this. As I said,
2 and I don't know, I may get myself in trouble for
3 saying this. I was so desperate I would have signed
4 it had it not been because of my wife.

5 I wanted to save my company, and he saw
6 an opportunity, someone who's very desperate who
7 would do anything. And when this did not go through,
8 he became very defensive.

9 I know he's attempted to sue me. He's
10 told me that he's very powerful, and I don't want to
11 be against him. He has partnered up with Bank of
12 America to take the company away several, several
13 times. And all along he wants, he wants me to give
14 him a release and not mention anything.

15 Now, I have never used this against him.
16 Not only this is the proof, as much as I'd like to,
17 as much as he deserves it, I've never gone public
18 with this information. And I wouldn't be sitting
19 talking to you folks -- as you know, I've done my
20 best to run away from everybody, but I'm here because
21 it's time for Mr. Buchanan to stop threatening
22 people.

23 I'm not doing this for money. I'm not
24 going to go after him for this money or what -- I've
25 already written that off. And I want to put on



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11-7565_0090

Sam Kazran

November 6, 2009

CONFIDENTIAL

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1 record this is not for money. This is just to come
2 out and tell the truth.

3 And I know that this might create
4 problems for me. You folks have been very clear that
5 this is not a -- this is not legal. I chose myself
6 not to have an attorney. I chose to provide you-all
7 this information because it's just time for everybody
8 to know who Mr. Buchanan is.

9 And I guarantee you if you go out and
10 search the others, you'll see so much of this going
11 on. I don't know if it's of this magnitude, but
12 you'll find that everybody's story is more like me
13 and not his.

14 Q. Mr. Kazran, you said that you had
15 conversations with Mr. Buchanan regarding these
16 reimbursed contributions and the affidavit that he
17 wanted you to sign but you didn't sign. Tell me,
18 were all these conversations in person?

19 A. I've had conversations in person and I've
20 had conversations through the phone. In fact, I
21 provided you a couple voice mails that he had left
22 me. The first voice mail that he had left was the
23 first time that he had learned about Josh's e-mail
24 that expressed how disappointed he was of this. And
25 he popped out of the blue after three months or so of



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11-7565_0091

Sam Kazran

CONFIDENTIAL

November 6, 2009

76

1 not speaking to me and several discussions. Now, you
2 got one or two of those voice mails, but he wanted to
3 make very clear that I'm going to have serious
4 problems if I proceed.

5 I think in that voice mail it says
6 technically you're the one who's got problems or
7 liabilities or something of that nature. But
8 simultaneously, he's a politician; he uses his words
9 very carefully. He wanted to make me go away, if you
10 will. And he was willing to pay for it too as long
11 as I signed the affidavit. And after I didn't, he's
12 making good on his threats.

13 That voice mail was -- the first one was
14 before this contract was signed, and then the next
15 one, I'm not sure if it was during or afterwards.
16 But he -- the content of the message was: I'm not
17 worried about the election. I'm going to win it
18 anyway. You probably don't know it, but you got the
19 one who's got problems, but I'd really like to work
20 it out. That message was left in my voice mail late
21 at night.

22 If you know Mr. Buchanan, you can have
23 him listen to that. Anyone that knows him will know
24 that voice is not like Mr. Buchanan's, very nervous.
25 He's normally very confident, and he carries himself



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11-7565_0092

Sam Kazran

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November 6, 2009

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1 very well, so...

2 Q. You said that the voice message was left
3 on your phone?

4 A. Correct.

5 Q. What phone is that?

6 A. I had a -- I had an Apple phone and a
7 palm pilot. And after he left the message, I had
8 transferred it to my Apple phone and then after that
9 I downloaded all that in my computer and voice
10 recorder.

11 Q. Take me through the steps that you did.
12 You had a voice message on your phone?

13 A. Correct.

14 Q. And how did you get that message to the
15 voice recorder?

16 A. Okay. I had the phone play. In other
17 words, I had the two phones right next to each other,
18 and I turned one on and the speakerphone on one and
19 just put it on the other one and let it record.

20 MR. SOVONICK: You used a recording
21 function on the other phone?

22 THE WITNESS: Correct, correct. I'm not
23 very savvy with those electronics.

24 Q. Okay. And then what did you do with the
25 recording on the second phone?



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11-7565_0093

Sam Kazran

November 6, 2009

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1 A. Okay. I put that -- I mean, I asked my
2 assistant to download -- she periodically downloads
3 all my information from my phone onto my computer.
4 And with Apple phone, all you have to do is synch it
5 and it dumps everything in there. And that was --
6 the voice mail, that's another reason you folks want
7 my computer, that was on the old phone. It was
8 transferred from the old phone. You have some static
9 and all that. I think while I was recording it
10 somebody called me and it had all that.

11 Q. Mr. Kazran, pursuant to the subpoena for
12 records that the Commission issued to you on or about
13 August 18, 2009, you provided to the FEC a digital
14 voice recorder. We have that with us, and I want to
15 ask you just to make sure, is this the original -- is
16 this the digital voice recorder that you provided to
17 Mr. Sovonick and myself?

18 A. Correct.

19 Q. Okay.

20 A. It also has some of my personal
21 recordings on there as well.

22 Q. We don't want to know anything about the
23 personal recordings.

24 A. I understand.

25 Q. Mr. Kazran, since this is your digital



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Sam Kazran

November 6, 2009

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1 voice recorder, can you play for us the voice
2 messages that Mr. Buchanan left on your phone.

3 A. Correct. Sure.

4 Q. Mr. Kazran, can you please operate this
5 voice digital device so that we can hear the voice
6 message that Mr. Buchanan left on your phone.

7 A. Sure.

8 Q. Mr. Kazran, you said you had two
9 recordings of that conversation?

10 A. Correct.

11 Q. One that had a lot of static on it?

12 A. Correct.

13 Q. Would you play for us the one --

14 A. Yes. When I was recording it, somebody
15 called me and it had that static.

16 Q. Then what did you do?

17 A. I just rerecorded it, and there was no
18 one calling me so it's a bit more clear.

19 (Playing recording: "Sam, Vern. Sorry I
20 didn't get your message, but, Sam, Mike Lindell
21 told me the other day that you're going to sue
22 us or threatening to sue us. All that we're
23 trying to do is in the event you go through
24 chapter 11 or unfortunately, hopefully not, but
25 if something happens, we sell the store, they're



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Sam Kazran

November 6, 2009

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1 recommending to protect our interests. And I
2 want to resolve it, work it out.

3 "I can't put -- I put two and a half
4 million in cash -- nobody has done that for you
5 ever -- this year in the business. I trust that
6 you -- that everything is going to be great.

7 "And the bottom line, I understand people
8 have problems, have challenges but, you know,
9 this should be something we should be able to
10 work out. We're willing to save what we got and
11 work with you. But I think the threatening of
12 the political stuff and all that, you got more
13 liability than you know if you start telling
14 people that you reimbursed people, because
15 technically you have that liability.

16 "All I told you, and I've always made it
17 clear is that you can't reimburse people.
18 They've got to give it under their free will.
19 You know that. At 12, 18 points, we're going to
20 win the election anyway.

21 "But the bottom line is I think I've been
22 your best friend, best asset. I heard the other
23 day too that the banks were not shipping cars to
24 Kia, and so that rumor is out there. And again,
25 we're just trying to protect our interest and do



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Sam Kazran

November 6, 2009

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1 what's right for us and ideally for you.

2 "And I think that it would be a good idea
3 if we tried to figure out how to work together.
4 Get a good lawyer and get what you want, but get
5 a good lawyer in Tampa. Mike is a very
6 honorable person, Mike Lindell. And let us sit
7 down and work together and work this out where
8 it's in everybody's best interest.

9 "I've been through situations and
10 lawsuits before, for 30 years being in business,
11 and I can tell you at the end of the day the
12 only ones that win is the lawyers.

13 "So again, nothing personal. You know, I
14 feel bad that it's come to this, but the lawyer,
15 Mike Lindell could not recommend to John Tosch
16 me putting in two million unsecured on the first
17 deal with you on a signature and put another two
18 million in in a couple three days without
19 knowing the extent of the whole exposure.
20 Nobody in their right mind would do that, you
21 know, would look at it, a bank, and not know
22 that you put two million in there and somehow
23 once it gets in bankruptcy and we're back in the
24 same position we're in right now.

25 "So again, I've trusted you. We've had a



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Sam Kazran

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1 great relationship. I never give people money,
 2 like I gave you two and a half million
 3 unsecured. I did that based on your reputation,
 4 based on the relationship. We've had a
 5 successful relationship in the past.

6 "I feel bad, I really do, in terms of us
 7 having to protect our interests, but again, we
 8 can stay that. Nonissue. I think it's
 9 important that we sit down and work together and
 10 work this out. Give me a buzz. Thanks."

11 Q. Mr. Kazran, you've said that this is a
 12 voice message from Mr. Vernon Buchanan. How do you
 13 know it's his voice?

14 A. I'm very familiar with Mr. Vern
 15 Buchanan's voice. Plus at the beginning of the voice
 16 mail he says: Sam, it's Vern. But anyone that knows
 17 Mr. Buchanan will tell you that's his voice. I'm
 18 confident that's him.

19 And he had left that voice mail because I
 20 was incredibly frustrated. While we were negotiating
 21 this contract, to trick me and protect himself, he
 22 committed that we would go through with this deal,
 23 but then he filed a suit in Jacksonville. And he
 24 called right back after that and says: Oh, don't
 25 worry about that. That's just to protect ourselves.



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November 6, 2009

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1 Because he knew that I may go and sue him in
2 Sarasota.

3 Q. His home turf?

4 A. That's correct. So while he was working
5 on this, he files a suit in Duval County, which later
6 the judge threw it out, to prevent me from going
7 there. He just wanted to let me know, Don't worry
8 about it. It's just a technicality, and we're just
9 protecting ourselves.

10 But I was very frustrated about that,
11 because he acted in bad faith, so...

12 Anyway, I'd like to play the second one
13 for you if you like.

14 Q. Yes, please.

15 (Playing recording: "Sam, it's Vern.
16 I'm just calling to see how you made out with
17 the bankers and the lawyers after I didn't
18 hear anything. Again, I hope that we can work
19 something out. I do believe there's a
20 restructure that makes sense for everybody.
21 That's the best path to take. Again, I've done
22 that before in these situations.

23 "If you decide to go the other way, I
24 hope that, you know, we talk about paying back
25 and that gets off on a lot of tangents because



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Sam Kazran

November 6, 2009

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1 that will only make it worse for everybody.
2 And, you know, I don't see how that helps you
3 long-term. But again, I hope we can restructure
4 it, and it will preserve your reputation there
5 in Jacksonville.

6 "You don't want to go through two years
7 of litigation. (Inaudible) So, you know, just
8 make sure you get good advice, people that don't
9 have an ax to grind, and you get good lawyers.
10 Anybody that's got any sense, any lawyer is
11 going to tell you get a restructuring done,
12 get this recapitalized.

13 "Like I said, if I can find a way to
14 help secure this, I'm willing to work with you.
15 But again, we get down the road and things start
16 to get, you know, personal and nasty, then I'm
17 out.

18 "So give me a holler. I'm still hoping
19 we can get something done. Give me a buzz
20 when you get this. Bye-bye."

21 A. He was -- so that one was while we were
22 negotiating. So, you know, he tells me we're going
23 to work something out. He files suit. I get upset
24 at him, and I send an e-mail to John Tosch. Then he
25 calls back, and he says: Look, don't worry about it.



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November 6, 2009

85

1 We'll do this.

2 But before and after that on several
3 other occasions, he's made it very clear that I'm
4 going to have consequences. But, you know, he
5 contradicts himself, because I've never gone to the
6 newspapers, all that. I've never used this against
7 him. I've never -- all I've asked him to do is put
8 back the money that he took out of our bank account.

9 He's very, very nervous in there, and he
10 keeps saying I'll work it out, I'll work it out, but
11 the whole intent of him was for me to give him some
12 sort of an affidavit like he typed so that he can go
13 through election.

14 Now, it's important that you know that he
15 got what he wanted without me taking any actions. He
16 did not have to make good on his contract, and I did
17 not expose him. So he turned out to be a happy man,
18 because I did not hold him accountable to the
19 contract that he signed, nor did I make his
20 information public.

21 And I tell you, it's very tempting, it's
22 -- a person like that, he's just not a nice person.
23 And my attorney said, you know, Sam, sometimes people
24 like that deserve to get hurt, but you're just not
25 the type of person and you shouldn't get involved



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11-7565_0101

Sam Kazran

November 6, 2009

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86

1 with this. And I took their advice. The cost of it
2 was the loss of my company, but it is what it is, I
3 guess.

4 BY MR. SOVONICK:

5 Q. Mr. Kazran, I just had a couple of
6 follow-up questions about Josh. When he sent that
7 e-mail, who specifically did he send it to?

8 A. He sent it to me and to John Tosch. He
9 was frustrated at me because, you know, while we're
10 going through this, I told him that, look, Vern has
11 told me he's going to give this money back; we're
12 going to take care of it. I got a second mortgage on
13 my home. He had gone and gotten a mortgage on his
14 home.

15 And John Tosch came out to him and said,
16 What you need to do is file bankruptcy and sign over
17 the company to us, and we're not going to give you
18 anything. And he, Josh, became very frustrated at
19 this. And he was mad at me and them. And that's why
20 it prompted that, John Tosch and me. So that's
21 where the original...

22 Q. Had he told you he was going to send that
23 e-mail before he sent it?

24 A. No, I had no knowledge of it.

25 Q. Okay.



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11-7565_0102

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November 6, 2009

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1 A. In fact, I sent an e-mail to John Tosch
 2 now I remember it, and I said, I'm sorry, John, I
 3 really didn't have anything to do with this. That's
 4 why I wanted you to have my computer. You'll see
 5 that, you know, up to the last point when I saw him
 6 sue my wife, and then I said, Forget about the money,
 7 I'm going to go public with this; but I still didn't
 8 do that.

9 But up until then all I wanted to do is
 10 save my company, and he took advantage of that, so...

11 BY MR. GOULD:

12 Q. Mr. Kazran, you've played for us the
 13 message from your digital voice recorder, a voice
 14 message that Mr. Buchanan left on your cell phone.

15 A. Correct.

16 Q. And prior to that voice message in which
 17 Mr. Buchanan is saying that you have liability for
 18 all this, had Mr. Buchanan ever told you that what he
 19 told you to do, namely to reimburse your employees
 20 for their contributions to his campaign by running it
 21 through the company, did he ever tell you that was
 22 illegal?

23 A. No, sir. Absolutely not. Up to the
 24 point where this affidavit came where he became
 25 defensive and he wanted to force me into signing it,



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11-7565_0103

Sam Kazran

November 6, 2009

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1 if you will, prior to that I had no idea.

2 And I tell you, even up to, you know,
3 '07, '08 I just thought that he wants to make himself
4 look better by having lots of supporters. I mean, if
5 I knew that this was -- there's a law against this, I
6 wouldn't -- I would not -- I'm a law-abiding citizen.
7 I would not break the law, especially something as
8 serious as this.

9 You know, Mr. Vern Buchanan was my senior
10 partner, and I just did what he told me. But had he
11 told me, Hey, this is illegal and you're going to get
12 in trouble, of course I would not get involved in
13 this.

14 Q. Okay. Thank you, Mr. Kazran. Appreciate
15 your cooperation sitting for this deposition,
16 providing us material documents -- well, things that
17 we had subpoenaed. But I appreciate your
18 cooperation. And have a good day, sir.

19 A. And thank you for having me and thanks
20 for your patience in working with all the documents.
21 Thank you.

22 (The deposition was concluded at 2:07 p.m.)
23
24
25



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11-7565_0104

EXHIBIT 4

TO: Stephanie COMPANY:

Amount: \$9,200.00 Sequence Number: 3892018150
 Account: [REDACTED] Capture Date: 12/28/2007
 Bank Number: [REDACTED] Check Number: 35421

HYUNDAI OF NORTH JACKSONVILLE
 8333 N. MAIN STREET
 JACKSONVILLE, FLORIDA 32208
 904-354-1234

CHECK# 35421

PAY **NINE THOUSAND TWO HUNDRED DOLLARS AND 00/100**

DATE 12/28/07 AMOUNT \$9,200.00

TO THE ORDER OF STEPHANIE K CHAMP
 JACKSONVILLE FL 32218

Stephanie K. Champ
 AUTHORIZED SIGNATURE

12/28/2007
 2622
 0114

12/28/2007
 2622
 0114

Stephanie Champ
 for deposit only
 number [REDACTED]

Electronic Endorsements

Date	Sequence	Bank #	BOFD	Bank Name
12/28/2007	0091631334	[REDACTED]	Y	VYSTAR CU
12/28/2007	0091631334	[REDACTED]	N	SOUTHWEST CORPORATE
12/28/2007	003892018150	[REDACTED]	N	BANK OF AMERICA, NA

Stephanie K. Champ
Jacksonville, FL 32216
date 12/31/07
Pay to the order of Vern Buchanan Campaign \$4400.00/100
Four thousand six hundred and no/100
VYSTAR CREDIT UNION Money Talks... Mine Says Goodbye!
P.O. BOX 45085 JACKSONVILLE, FLORIDA 32232-5085
PHONE (904) 777-6000
for VB - Office Mng. H. Sax Stephanie

Front

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 THE BANK OF TAMPA
 FOR DEPOSIT ONLY
 VERN BUCHANAN FOR CONGRESS

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 THE BANK OF TAMPA
 TAMPA, FL 33601-1255

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BANK OF AMERICA NA, P.A.
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 01/02/88

9040695447

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CheckImage

Page 1 of 1

Stephanie K. Champ
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12/31/07

Pay to the order of Joe Cutler \$4,600.00

Four Thousand Six Hundred and no/100

VYSTAR CREDIT UNION
P.O. BOX 45015
JACKSONVILLE, FLORIDA 32202-0155
PHONE (904) 777-5000

Money Talks... Mine Says Goodbye!

for Stephanie C.

258

Front

VyStar Credit Union
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Teaser ID # 2756
2756
0124

Back

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Deposit as
cash to

TO: Stephanie COMPANY:

Amount: \$8,400.00 Sequence Number: 6540233710
 Account: [REDACTED] Capture Date: 11/30/2005
 Bank Number: [REDACTED] Check Number: 20514

HYUNDAI OF NORTH JACKSONVILLE 3333 N. MAIN STREET JACKSONVILLE, FLORIDA 32206 904-354-1224		CHECKS 20514	
PAY **EIGHT THOUSAND FOUR HUNDRED DOLLARS AND 00/100**		83-4 930	20514
TO THE ORDER OF	GAYLE LEPHART	DATE 11/28/05	AMOUNT \$8,400.00
		<i>Gayle Lephart</i> <i>Debra Smith</i>	

0255127407
Compass Bank
Birmingham, AL
11/28/05 5062001186

3641 0722

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TO: Stephanie COMPANY:

Amount: \$8,511.00 Sequence Number: 6540015605
 Account: [REDACTED] Capture Date: 06/30/2006
 Bank Number: [REDACTED] Check Number: 24502

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CHECK# 24502

171015

03-4
630

24502

PAY **EIGHT THOUSAND FIVE HUNDRED ELEVEN DOLLARS AND 00/100**

DATE 06/28/06 AMOUNT \$8,511.00

TO THE ORDER OF ERIC KHAZRAVAN
 JACKSONVILLE FL 32246

Hayden
 AUTHORIZED SIGNATURE

115066116 066559800
 9002/62/90 6540015605

For Deposit Only
 Community First Credit Union
 JUN 29 2006
 Jacksonville, FL
 25307894
 Letter 395


6540015605

SK_0006
 11-7565_0110

THE FOLLOWING IS A SUMMARY OF THE INFORMATION CONTAINED ON THE FRONT OF THE CHECK:

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3035 N. MAIN STREET
JACKSONVILLE, FLORIDA 32206
904-394-1224

CHECK# 24501

Bank of America  **Signer Guarantees**

24501

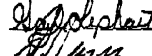
GS-4
500

PAY **EIGHT THOUSAND FIVE HUNDRED ELEVEN DOLLARS AND 00/100**

TO THE ORDER OF **JOSEPH CUTAIA**

DATE **08/28/06** **AMOUNT** **\$8,511.00**

Handwritten: Joseph Cutiaia, 8/28/06, \$8,511.00

Authorized Signature 

STAMP: VOID AFTER 90 DAYS

[illegible]

TO: Stephanie COMPANY:

Amount: \$6,400.00 Sequence Number: 6540324678
 Account: [REDACTED] Capture Date: 11/30/2005
 Bank Number: [REDACTED] Check Number: 20515

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 3050 N. MAIN STREET
 JACKSONVILLE, FLORIDA 32206
 904-354-1234

CHECK # 20515

PAY **EIGHT THOUSAND FOUR HUNDRED DOLLARS AND 00/100**

TO THE ORDER OF DIANA SMITH
 MIDDLEBURG FL 32068

DATE 11/28/05 AMOUNT \$6,400.00

Stephanie Company
Diana Smith

0333768597
 11302005
 0030-0019-9
 ENT#4011 TRC#4011 PM#01
 FOR DEPOSIT ONLY -
 NAVY FED CU VOXWNA VR 22180 -7256074974C- 11/29/05 19437
 00000000402326709 703-255-8621 82 0042-0062

DO NOT WRITE, STAMP, OR SIGN IN THESE SPACES

Deposit only
Diana Smith

HYUNDAI OF NORTH JACKSONVILLE
5385 N. MAIN STREET
JACKSONVILLE, FLORIDA 32206
904-384-1224

CHECK# 35420

8/3-4
630

35420

PAY **NINE THOUSAND TWO HUNDRED DOLLARS AND 00/100**

DATE 12/28/07

AMOUNT \$9,200.00

TO THE ORDER OF GAYLE LEPHART

92084phat

AUTHORIZED SIGNATURE

0052106798
Compass Bank
Birmingham, AL
12/31/07 2062001186K

Electronic Endorsements				
Date	Sequence	Bank #	BOFD	Bank Name
01/02/2008	004192858163	[REDACTED]	N	BANK OF AMERICA, NA

VIEW CHECK IMAGE

Zoom Out Zoom In Print Screen Send Us a Message

#2463

Date: 01/03

Amount: \$9,200.00

GAYLE LEPHART 09/01
ERNEST LEPHART JR.
JACKSONVILLE, FL 32220

63-1502000

#2463

Date: 12/28/02

Pay to the
Order of V. Jon Buchanan, Cash \$ 9200.00
nine thousand two hundred dollars/100
COMPASS BANK
BRANCH
JACKSONVILLE, FL 32227
* VB COMPTROLLER
HUGHAI OF NORTH
ET. F. CHIRD JAX Gayle Lephart

VIEW BACK IMAGE DONE

<https://online.compassweb.com/cpc/servlet/compassonline/checkimage-front.jsp?tranID=08...> 9/5/2008

SK_0010

11-7565_0114

[Zoom Out](#) [Zoom In](#) [Print Screen](#) [Send Us a Message](#)

VIEW FRONT STAGE

EXHIBIT 5

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Subject to the Nondisclosure Provisions of H. Res. 895 as Amended

OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

MEMORANDUM OF INTERVIEW

IN RE: Hyundai of North Jacksonville Comptroller
 REVIEW NO.: 11-7565
 DATE: December 9, 2011
 LOCATION: 225 East Coastline Drive
 Jacksonville, FL 32202
 TIME: 10:00 a.m. to 10:45 a.m. (approximate)
 PARTICIPANTS: Kedric L. Payne
 Omar S. Ashmawy

SUMMARY: The witness is a former employee of several of Representative Vern Buchanan's auto dealerships. The OCE requested an interview with the witness and she consented. The witness made the following statements in response to our questioning:

1. The witness was given an 18 U.S.C. § 1001 warning and consented to an interview. The witness signed a written acknowledgement of the warning prior to the interview, which will be placed in the case file in this review.
2. The witness is currently employed as a payroll practitioner at Jacksonville Electric Authority. She has been employed there since January 2, 2011.
3. The first automobile dealership that she worked for that was affiliated with Representative Buchanan was M & L Motors. She worked as an accountant for the dealership from approximately 1995 to 2002.
4. From 2002 to 2004, she worked as the office manager for Buchanan Jenkins Hyundai.
5. In 2004, Sam Kazran became an owner of Buchanan Jenkins Hyundai and it became Hyundai North Jacksonville ("HNJ"). The witness worked there as comptroller until HNJ closed.
6. Her duties as comptroller included responsibility over the company's bank records, weekly payroll, and insurance. She also prepared the company's financial statements which included records of all income and expenses.
7. After she prepared the monthly financial statements, Dennis Slater and Sam Kazran reviewed the records.
8. The witness reported directly to Mr. Kazran. She managed employees who reported to her, including Jill Oaks, Stephanie Champs, and Jan Martin.
9. The witness told the OCE that the financial statements for HNJ were ultimately given to Representative Buchanan. It is her understanding the Representative Buchanan reviewed

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the financial statements with Mr. Kazran. Her understanding is based on Mr. Kazran's conversations with her at the time.

10. The witness never met Representative Buchanan.
11. The witness told the OCE that she contributed to Representative Buchanan's campaign around 2005 and 2008.
12. Mr. Kazran told her to make the contributions.
13. She described the first contribution. She told the OCE that Mr. Kazran was at HNJ on the phone with Representative Buchanan.
14. Mr. Kazran said, "Vern, I'll handle it right now."
15. Mr. Kazran then told her to write a personal check to Representative Buchanan's campaign. Then she was to write a check to herself from the company and "gross it up". This meant that she was to make the check from the company large enough to cover taxes such that after taxes it was enough.
16. The witness said that at the time she did not know that the transaction was illegal.
17. She described the second time that she made a contribution to the campaign.
18. When Mr. Kazran asked her to make the second contribution she said she screamed at him and said that the company could not afford to make the contribution at the time.
19. She said that she contributed because she had the feeling that her employment could be terminated if she did not. She felt as though Representative Buchanan had the ability to tell Mr. Kazran to terminate an employee because he was the majority owner of the company.
20. The witness told the OCE that other HNJ employees made contributions to Representative Buchanan's campaign.
21. Mr. Kazran told her who contributed and the witness wrote checks from HNJ to reimburse the employees.
22. The witness recalls that Stephanie Champ contributed to the campaign, but Diana from Representative Buchanan's campaign committee returned the check to Ms. Champ. The witness did not know Diana's last name, but she recalled that Diana assisted Representative Buchanan's campaign.
23. The witness told the OCE that the check was returned because Ms. Champ was not married.
24. However, Ms. Champ had already received the reimbursement from HNJ. As a result, another HNJ employee, Joe Cutaia, made the contribution to the campaign. In return, Ms. Champ wrote a check to Mr. Cutaia to reimburse him for the contribution for which she had already received a reimbursement.

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25. The witness told the OCE that the payments were listed in HNJ's financial statements as salary.
26. She does not recall any specific designation for the payments other than salary.
27. She told the OCE that Representative Buchanan had to be aware of the reimbursements because the salary entries for individuals were higher during certain months than others.
28. She also stated that Dennis Slater would have known about the reimbursements.
29. The witness said that during the summer of 2010 the Federal Election Commission ("FEC") contacted her and asked about what happened with the contributions to Representative Buchanan's campaign from HNJ employees.
30. The FEC then asked her to write a statement, which she sent to FEC.
31. She has not been deposed by anyone concerning this matter.
32. When asked how Mr. Kazran received reimbursement for campaign contributions, the witness stated that she does not believe that he was reimbursed through salary.
33. She believes that he may have been reimbursed through partnership distribution. She explained that as partners, Buchanan had to receive 51% of any distribution. Any such distribution to Mr. Kazran had to be approved by Dennis Slater.

This memorandum was prepared on January 3, 2012, based on the notes that the OCE staff prepared during the interview with the witness on December 9, 2011. I certify that this memorandum contains all pertinent matter discussed with the witness on December 9, 2011.

Kedric L. Payne
Deputy Chief Counsel

EXHIBIT 6

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OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

MEMORANDUM OF INTERVIEW

IN RE: Hyundai of North Jacksonville CFO
 REVIEW NO.: 11-7565
 DATE: December 5, 2011
 LOCATION: 225 East Coastline Drive
 Jacksonville, FL 32202
 TIME: 7:10 p.m. to 8:30 p.m. (approximate)
 PARTICIPANTS: Omar S. Ashmawy
 Kedric L. Payne

SUMMARY: The witness is the former Chief Financial Officer of an automobile dealership affiliated with Representative Buchanan. The OCE requested an interview with the witness and he consented to an interview. The witness made the following statements in response to our questioning:

1. The witness was given an 18 U.S.C. § 1001 warning and consented to an interview. The witness signed a written acknowledgement of the warning, which will be placed in the case file in this review.
2. The witness is currently the managing director of U.S. Outfitters, LLC. He has held that position since 2007. Prior to this position, the witness was the Chief Financial Officer for Honda of North Jacksonville ("HNJ"). This was the only Representative Buchanan affiliated entity with which he was involved.
3. He initially joined HNJ because of his background in construction. There were plans to build-out HNJ and some other projects. Sam Kazran asked the witness to come work with him to help out with the building. Sam Kazran has been the witness's brother in law since 1998. The witness was involved in the construction, planning the interiors, and purchasing furniture. The title of Chief Financial Officer was a "title that was bestowed" on the witness.
4. The witness mainly reported to Mr. Kazran. Regarding his duties, the witness said that the more involved in the construction side of his work, the less he was involved in the financial side. The dealership's finances were not his day to day work. Each dealership had its own comptroller who did the day-to-day financial management. The witness was involved in the banking side because the dealership had to put together "packages" for the construction projects.
5. The witness left HNJ in 2008 because Bank of America audited the dealership and determined they had defaulted on the loan. The bank shutdown the business.
6. At the end of each month, the witness reviewed HNJ's financial statements with Mr. Kazran and Ms. Gayle Lephart, the comptroller for HNJ. The statements contained sales figures, expenses, and other data on the incomes and expenses of the dealership.

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7. Dealership expenses included salaries and bonuses for employees, rent, other compensation, etc. Ms. Lephart and the witness would review the statements to see if they were "in or out of line."
8. The witness knew Representative Buchanan. He first met Representative Buchanan in 2004 when Mr. Kazran bought into a dealership with Representative Buchanan. The witness also met Representative Buchanan a couple of times at a partners' meeting and at a fundraiser in Sarasota, FL that was attended by Vice President Dick Cheney. The witness thought the fundraising event was in 2006.
9. The partners' meetings were held on a regular basis. All of the partners of the automobile dealerships Representative Buchanan owned would meet. They would review all the sales figures and report on each dealership, including the numbers of vehicles sold, whether they were new or used, and other categories of sales.
10. The witness only attended two of the partners' meetings. On each occasion it was because Mr. Kazran asked him to attend. Mr. Kazran was the person who attended all the meetings.
11. At the first partners' meeting that the witness attended, the witness was walking to Representative Buchanan's office with Mr. Kazran, John Tosh, and Representative Buchanan. Representative Buchanan said that he needed help with getting money for his campaign.
12. Prior to this occasion, the witness was with Mr. Kazran at the HNJ location. They were in the sales tower and were walking from the sales tower towards their office. Mr. Kazran was on the phone with Representative Buchanan. He knew this because Mr. Kazran put the phone to the witness' ear while Representative Buchanan was speaking so that the witness could hear what was being said. The witness heard Representative Buchanan say that "they could get the managers to contribute to the campaign and the dealership would reimburse them."
13. This happened on two occasions. The witness did not recall the second occasion as clearly, however he remembered that he was at the HNJ location with Mr. Kazran and that they were also walking from one place to another. He recalled that Representative Buchanan told Mr. Kazran to "reimburse" people who gave contributions to his campaign.
14. The witness made contributions to Representative Buchanan's campaign and was reimbursed for them. Mr. Kazran told the witness he would be reimbursed. The witness' understanding of Representative Buchanan's role in the reimbursement process was that Representative Buchanan directed it. When asked why he had that understanding, the witness said that it was because Representative Buchanan told Mr. Kazran to do it and because of Representative Buchanan mentioned that he needed help at the partners' meeting.
15. The witness did not recall how the reimbursements were categorized in the financial statements that he reviewed with Ms. Lephart at the end of each month. They may have been categorized as "bonus." The witness also stated that at the point in time when reimbursements were being made he was not involved in the financial side of the business – he got involved a little later, in the latter part of 2006. Before he got involved, the financial side was managed by Mr. Kazran and Ms. Lephart. However, the witness knew the reimbursements were taking place because he was privy to the conversations.

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16. When asked about the affidavit that Representative Buchanan asked Mr. Kazran to sign, the witness said that he learned about it the day it was presented to Mr. Kazran. Mr. Kazran called the witness when he received it and emailed it to the witness. The content of the affidavit is nothing but a cover-up by Representative Buchanan. Representative Buchanan offered Mr. Kazran the affidavit while a deal that Mr. Kazran needed was pending.
17. The witness also referred to an email he sent to John Tosh. The email was written "well before" the affidavit was presented to Mr. Kazran.
18. The witness told the OCE that the email concerned the money taken out of the operating fund of the company for the campaign contributions that were reimbursed.
19. The witness was then shown an August 5, 2011 newspaper article from the *Florida Independent*, titled "More Former Buchanan Employees Speak Out about Pressure to Donate, Reimbursement Scheme." He was asked if the quotes attributed to him in the article were accurate and true. The witness said yes.
20. The witness never worked on Representative Buchanan's campaign or communicated directly with Representative Buchanan.

This memorandum was prepared on January 5, 2012 after the interview was conducted on December 5, 2011. I certify that this memorandum contains all pertinent matter discussed with the witness on December 5, 2011.

Omar S. Ashmawy
Staff Director and Chief Counsel

EXHIBIT 7



FEDERAL ELECTION COMMISSION
Washington, DC 20463

September 28, 2010

Via Personal Service

Sam Kazran
1531 Harrington Park Drive
Jacksonville, FL 32225

Re: MUR 6054
Sam Kazran
11-2001 LLC d/b/a
Hyundai of North
Jacksonville

Dear Mr. Kazran:

On September 21, 2010, the Federal Election Commission found that there is probable cause to believe that you and 11-2001 LLC d/b/a Hyundai of North Jacksonville ("HNJ"), violated 2 U.S.C. § 441f, and that HNJ violated 2 U.S.C. § 441a(a), provisions of the Federal Election Campaign Act of 1971, as amended, in connection with contributions to Vern Buchanan for Congress that were reimbursed using HNJ funds.

The Commission has a duty to attempt to correct such violations for a period of at least 30 days and no more than 90 days by informal methods of conference, conciliation, and persuasion, and by entering into a conciliation agreement with a respondent. If we are unable to reach an agreement after 30 days, the Commission may institute a civil suit in United States District Court and seek payment of a civil penalty.

Enclosed is a conciliation agreement that the Commission has approved in settlement of this matter.

Sincerely,

Mark Allen

Mark Allen
Assistant General Counsel

Enclosure

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11-7565_0125

EXHIBIT 8

2/3/12

documetations for....to review

From: kazran52 <[REDACTED]@aol.com>
 To: john [REDACTED]@buchananautogroup.com>
 Subject: documetations for....to review
 Date: Mon, Sep 8, 2008 6:38 pm
 Attachments: scan0001[1]_2.jpg (865K), scan0002[1]_2.jpg (585K), scan0003[1]_2.jpg (599K), scan0004[1]_2.jpg (767K), check_copies-vern128[1].pdf (178K)

this this is the 1st set of checks, there are more to follow, It gives me great regret to have done this for Vern when he doesn't even hesitates for a second to sue me and my wife over 20k.. Maybe he can consider taking part of this 80k+ as one month of payment so my wife doesn't cry out of fear of loosing our home. I thank Vern for giving me permission to set aside my moral character...

1. 1.3million of loan on Hyundai that was never disclosed nor mentioned in agreement
- 2.purposly deceiving lender by injecting cash and taking it right back to qualify for a loan, "fraud"
- 3.borrowing money as capital contribution when that's a direct lender violation
4. 1.4 million in gwinette in outstanding bills plus 1.6million in lease payments
5. a total of 2.2million of capital required by Vern as per our agreement and manufacture requirement
6. a total of 15million in damages caused by lack of capital in companies that Vern contributed
7. major reason for the loss of 423 employees and their families because I made a bad decisions and believed Vern at his word.....
8. I am sure the other 5 partners can add on to this list....

lets dissolve our partnership and remain friends.....if Vern wants to take Kia stores it will be 1.5million..
 what's not optional is gwinette.... based on my agreement the best way to resolve this is to go back to what we agreed..he is owed 10k per month as a partner, all other money needs to be paid back to me..once that is done we both can work together and dissolve the company as partners..... other option is wait until tomorrow to find out if

-----Original Message-----
 From: [REDACTED]@aol.com
 To: [REDACTED]@aol.com
 Sent: Mon, 8 Sep 2008 4:18 pm
 Subject: check copies

These are the copies that I have. Let me know if you need anything else.

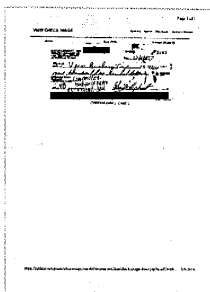
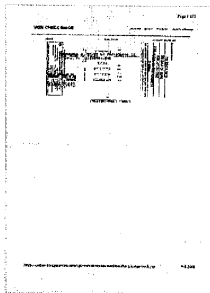
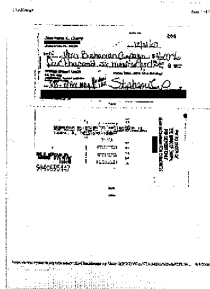
Thank you!

Stephanie Looking for spoilers and reviews on the new TV season? Get AOL's ultimate guide to fall TV.

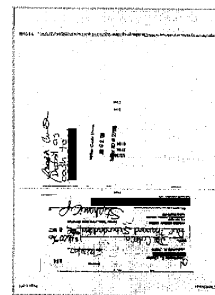
4 Attached Images

2/3/12

documentations for....to review



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EXHIBIT 9



FEDERAL ELECTION COMMISSION
Washington, DC 20463

December 20, 2011

VIA ELECTRONIC MAIL
AND FIRST CLASS MAIL

William J. McGinley, Esq.
Patton Boggs LLP
2550 M Street, N.W.
Washington, DC 20037
[REDACTED]@PattonBoggs.com

RE: MUR 6054
Vern Buchanan for Congress and
Joseph Gruters, in his official
capacity as Treasurer

Dear Mr. McGinley:

On February 7, 2011, you were notified that the Federal Election Commission determined on February 1, 2011, to take no further action and close the file as to your clients, Vern Buchanan for Congress and Joseph Gruters, in his official capacity as Treasurer. This letter is to advise you that the file in this matter has been closed and this matter is now public. Documents related to this matter will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66132 (Dec. 14, 2009).

Enclosed is a copy of MUR 6054 General Counsel's Report #9 in which the Office of the General Counsel recommended that the Commission take no further action as to Vern Buchanan for Congress and Joseph Gruters, in his official capacity as Treasurer, the recommendation approved by the Commission on February 1, 2011.

If you have any questions, please contact Michael Columbo at (202) 694-[REDACTED].

Sincerely,

A handwritten signature in black ink, appearing to read "M. Columbo".

Michael A. Columbo
Attorney

Enclosure

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FEDERAL ELECTION
COMMISSION

2011 JAN 25 PM 2: 01

BEFORE THE FEDERAL ELECTION COMMISSION

1
2 In the Matter of)
3)
4 Vernon G. Buchanan)
5)
6 Vern Buchanan for Congress and Joseph R. Gruters,)
7 in his official capacity as treasurer)
8)
9

MUR 6054

CELA

GENERAL COUNSEL'S REPORT #9

10 I. RECOMMENDATION

11 Take no further action as to Representative Vernon G. Buchanan, Vern Buchanan for
12 Congress and Joseph Gruters, in his official capacity as treasurer, and close the file as to those
13 respondents.

14 II. INTRODUCTION

15 This matter concerns \$67,900 of campaign contributions received by Vern Buchanan for
16 Congress ("VBFC" or "Committee"), during the 2006 and 2008 election cycles that were
17 reimbursed with the funds of Hyundai of North Jacksonville ("HNI"), a car dealership in which
18 Representative Vernon G. Buchanan ("Buchanan") held a majority ownership interest. On
19 March 17, 2010, the Commission found reason to believe that Rep. Vernon G. Buchanan, Vern
20 Buchanan for Congress, and Joseph Gruters, in his official capacity as treasurer, knowingly and
21 willfully violated 2 U.S.C. §§ 441f and 441a(f) and conducted an investigation. On
22 September 21, 2010, the Commission determined to enter into pre-probable cause conciliation
23 with Respondents, who rejected conciliation shortly thereafter. After we served the General
24 Counsel's Brief, Respondents served their brief, which substantively responded to the allegations
25 in this matter for the first time. On December 9, 2010, the Commission held a probable cause
26 hearing.
27

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MUR 6054 General Counsel's Report #9 (Representative Vernon G. Buchanan *et al.*)
Page 2

1 This case turns on whether Buchanan directed his minority business partner Sam Kazran
2 ("Kazran") to reimburse contributions at HNJ in 2005, 2006, and 2007. Kazran testified that he
3 did, and Buchanan testified that he did not. We have reviewed the entire record, including
4 Respondents' evidence and arguments regarding the credibility of witnesses and exculpatory
5 information.

6 Since we served the General Counsel's brief, we learned of evidence that bears directly
7 on Kazran's credibility. This new information raises significant concerns regarding the
8 credibility of Kazran, the principal witness in this case, and there is no testimonial or
9 documentary evidence that sufficiently corroborates his testimony that Buchanan directed
10 Kazran to reimburse contributions of HNJ employees, a claim that Buchanan denies. Other
11 witnesses gave statements that are in some ways consistent with Kazran's testimony, but these
12 witnesses either did not testify that they heard Buchanan instruct Kazran to reimburse
13 contributions, or their testimony did not align with Kazran's as to Buchanan's alleged direction to
14 reimburse contributions. Given the concerns about Kazran's credibility and other gaps in the
15 evidentiary record, the lack of direct support is significant. Further, the circumstantial evidence
16 does not sufficiently corroborate Kazran's testimony to overcome our recent concerns with his
17 credibility because in many cases, this evidence supports Buchanan's claims or is ambiguous.

18 Accordingly, we recommend that the Commission take no further action as to
19 Buchanan and VBFC.

20 III. NEW INFORMATION REGARDING KAZRAN'S CREDIBILITY

21 After we filed the General Counsel's brief, Respondents provided a copy of an order
22 finding Kazran in contempt of court. This order, coupled with Kazran's actions at about the

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MUR 6054 General Counsel's Report #9 (Representative Vernon G. Buchanan *et al.*)
Page 3

1 same time we filed the General Counsel's brief, influences our reasoning and recommendation in
2 this case.

3 Respondents attach to their reply brief a 2008 order from a civil case in Georgia finding
4 Kazran in contempt and ordering him jailed, and a 2010 motion seeking sanctions in the same
5 case against Kazran's companies. Reply Brief, Exhs. 6, 8. Respondents' claim that "Kazran's
6 lack of credibility should be evident to OGC given his deceit during a recent bankruptcy
7 proceeding in Georgia state court, a case likely familiar to OGC as a result of its two-year
8 investigation." Reply Brief at 6.

9 The contempt order in question was issued by a Georgia trial court in November 2008 in
10 a civil suit between Bank of America and three car dealerships owned by Kazran. *See* Reply
11 Brief, Exh. 5, 6. It appears that the court found Kazran in contempt because he transferred
12 \$137,843.00 in violation of an order appointing a receiver. *Id.* We agree with Respondents that a
13 court's contempt order for transferring funds in violation of an order of receivership is a serious
14 matter because it relates to Kazran's honesty and respect for the law.¹

15 Respondents assert that Kazran's credibility is also undermined because in mid-to-late
16 October 2010, he allegedly threatened to publicize the Commission's investigation of Buchanan
17 by filing a lawsuit seeking Buchanan's payment of Kazran's future negotiated civil penalty with
18 the Commission and repayment of the reimbursements to HNJ. Reply Brief at 5, Exh. 1, 4. We
19 agree with Respondents that Kazran's actions were ill-advised and raise credibility concerns,

¹ Respondents also fault OGC for not discovering this information. Hearing Transcript at 16. As to this claim, Buchanan's counsel informed us in September 2010 that Kazran had been in jail in Georgia. We asked Respondents' counsel for more specifics about Kazran's jailing, and counsel for Buchanan said he would produce them at the appropriate time. We immediately conducted criminal background searches in both Georgia and Florida, and those searches produced no evidence of convictions. Respondents revealed the information in early November when they served their reply brief. We do not know why counsel did not reveal it sooner.

MUR 6054 General Counsel's Report #9 (Representative Vernon G. Buchanan *et al.*)
Page 4

12044311549

1 especially as Kazran's actions occurred in the two weeks before the 2010 elections. We note that
2 once the election was over, Kazran did not follow through with his promise to file the lawsuit,
3 which may suggest that his promise was tied to the election.

4 In fairness to Kazran, his October 2010 correspondence essentially repeats the claims he
5 has made all along: Buchanan should repay HNJ and him for the amounts related to Buchanan's
6 instruction that HNJ reimburse contributions to his political committee. Further, a close reading
7 of the documentation Kazran sent indicates that Kazran's actions would reveal the investigation
8 of his own actions, not Buchanan's. Moreover, although the timing of Kazran's actions makes it
9 appear that they were tied to the upcoming election, the timing of Kazran's letter was also related
10 to the timing of the Commission's September 28, 2010, notification to Kazran that it had found
11 probable cause and was seeking conciliation. The September 28, 2010, notification letter also
12 stated that the Commission might institute a civil suit against Kazran if an agreement was not
13 reached within 30 days.

14 We also note that at the probable cause hearing, Respondents asserted that "Kazran implied
15 in a letter that he was working with OGC to negotiate a civil penalty for Congressman Buchanan
16 to pay on behalf of Kazran." Hearing Tr. at 17. In fact, the Commission found probable cause
17 that Kazran and HNJ violated the Act, and, as required by the Act, OGC engaged in post-
18 probable cause conciliation on behalf of the Commission. The negotiation, which was
19 unsuccessful, was over Kazran and HNJ's civil penalty, not Buchanan's.

20 Given the new information relating to Kazran's credibility, we believe that his testimony
21 regarding Buchanan's instruction to reimburse contributions at HNJ needs strong corroboration
22 to be considered sufficient enough to say that it is more likely than not that his version of the
23 facts is true. As explained in this report, the record does not contain such corroboration.

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1

2 **IV. KAZRAN'S TESTIMONY AS TO DISCUSSIONS DURING WHICH BUCHANAN**
3 **INSTRUCTED HIM TO REIMBURSE CONTRIBUTIONS AT HNJ IS NOT**
4 **SUFFICIENTLY CORROBORATED BY WITNESSES TO THESE**
5 **DISCUSSIONS**

6

7 Kazran testified that Buchanan, his majority partner in the HNJ car dealership, directed

8

him on a number of occasions from 2005 to 2007 to solicit employees at HNJ to make

9

contributions to VBFC and then to reimburse those employees with funds from HNJ. Kazran

10

Depo at 13-14, 20-22, 32, 34-37, 53-54, 70-72. Buchanan denies that he ever suggested that

11

Kazran should reimburse employee contributions to his campaign. Buchanan Depo at 93, 98-99.

12

We analyzed Kazran's testimony regarding Buchanan's directions to reimburse

13

contributions of HNJ employees and compared it to the sworn statements of those who witnessed

14

these conversations to see if Kazran's claims were more likely than not true. That analysis

15

shows that Kazran's testimony lacks sufficient corroboration.

16

A. The 2005 Instructions to Reimburse Contributions

17

In his deposition, Kazran described the first time Buchanan allegedly told him to

18

reimburse contributions.

19

Q. The Federal Election Commission records show that on or about November 2005 some of the employees at the North Jacksonville Hyundai made contributions to Mr. Buchanan's campaign for Congress. The records show that Gail Lephart, Ernest Lephart, Gary Smith and Diana Smith contributed a total of \$16,800 to Mr. Buchanan's campaign for Congress. Did you ask any of these individuals to make a contribution to Mr. Buchanan's campaign?

22

23

24

25

26

27

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29

30

31

32

33

A. Yes, I did.

Q. Why did do you that? [sic (transcript)]

A. I instructed them to write a check and reimburse themselves for -- because Mr. Buchanan had asked me to get money. And he specifically told me get someone you trust and run it through the corporation.

MUR 6054 General Counsel's Report #9 (Representative Vernon G. Buchanan *et al.*)
Page 6

1 Q. Okay. And did you get someone that you trusted?

2
3 A. Yes, Ms. Gail Lephart and D. Smith, he's no longer with us, they were the
4 office managers. Ms. Gail Lephart was our comptroller that I had known and had
5 a good relationship with. And she was going to cut the check. She's the person
6 that cuts the check. And the first time that -- and I think she's contributed on
7 multiple times, but the first time that I did, I told her that we'd be getting this
8 money back from Mr. Buchanan. I said, I don't know when, he just asked me to
9 do it.

10
11 Kazran Depo at 20-22. Kazran makes another reference to Lephart later in the deposition when
12 we questioned him about a paragraph in an affidavit that Buchanan and John Tasek, the CEO of
13 his companies, presented to him to sign in connection with a settlement of a business dispute
14 between Buchanan and Kazran. See Section V.E., below. This paragraph states that before
15 September 2008, neither he nor Buchanan knew of reimbursements at HNJ. Kazran stated:

16 A. That is an absolute lie. Mr. Vern Buchanan -- well, let's put it this way. I'm
17 surprised that they're putting that in there, because not only he's had personal talks
18 with me, I've had -- Josh Farid has heard him, Gail Lephart on the phone has
19 heard him....

20
21 Kazran Depo at 70. Buchanan denied that he ever suggested to Kazran that he reimburse these
22 contributions. Buchanan Depo at 98-99.

23 To help resolve this factual dispute, we looked at sworn statements from witnesses who
24 claimed they were present during 2005 conversations regarding reimbursing contributions at
25 HNJ. First, Gayle Lephart avowed that just before she made her contribution to VBFC on
26 November 29, 2005, she heard Kazran talking on a cellphone to a person she assumed was
27 Buchanan. See Lephart Affidavit. She heard Kazran say something like "Vern, I'll handle it
28 now," and immediately after that, Kazran told her to write a personal check to VBFC in a
29 specific amount and reimburse herself with HNJ funds, and then find other potential contributors
30 at HNJ and reimburse them through HNJ's payroll account, which she did. *Id.* She also swore
31 that Kazran directed her to send the contributions to Diane Mitchell at VBFC. *Id.* Diane

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1 Mitchell is an assistant to John Tosch who, according to Buchanan, may have done some
2 volunteer work for VBFC. Buchanan Depo at 101-102.

3 However, Lephart does not swear that she heard Buchanan direct Kazran to reimburse
4 contributions, indeed, she did not hear anything Buchanan said during the phone call in question.
5 Further, Lephart did not corroborate Kazran's testimony that he told her that Buchanan would
6 repay HNJ for the reimbursements. Lephart Aff. at 1.

7 Second, Joshua Farid, Kazran's business partner and brother-in-law, swore to
8 overhearing a 2005 phone conversation during which Buchanan told Kazran that he needed to
9 raise \$50,000 for VBFC. See Farid Affidavit at ¶4. He also swore that he heard Kazran tell
10 Buchanan that he had already contributed the maximum to Buchanan's campaign, to which
11 Buchanan replied that Kazran should have HNJ employees contribute to the campaign and then
12 reimburse them with HNJ funds. *Id.* Kazran did not mention this conversation in his deposition.

13 **B. The 2006 Instructions to Reimburse Contributions**

14 Kazran also testified to a 2006 conversation during which Buchanan suggested to him
15 that he could reimburse contributions at HNJ to raise \$25,080 or \$50,000 for VBFC, and this
16 suggestion was part of the negotiations regarding Kazran's purchase of Buchanan's interest in a
17 dealership in Georgia called Gwinnett Place Dodge. Kazran Depo at 13-14, 32, 34-36.
18 Buchanan denies that he ever suggested reimbursing contributions at HNJ, Buchanan Depo at 93,
19 98-99, and specifically denied that he discussed with Kazran the amount that Kazran would have
20 to pay him for his share of Gwinnett Place Dodge, and denied asking Kazran to raise funds in
21 connection with that transaction. *Id.* at 104-106.

22 Kazran testified that Buchanan, Farid, and he were walking in a hallway when Kazran
23 offered to buy Buchanan's interest in that dealership. Kazran Depo at 32, 34-35. Buchanan had

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1 asked Kazran for \$300,000 or \$400,000 for his interest, but Kazran did not have that much
2 money. *Id.* at 35. Kazran wanted to pay a smaller amount, and he wanted to pay Buchanan over
3 time. *Id.* He further testified that Buchanan agreed to payments over time if Kazran would agree
4 to raise "25- or \$50,000" for VBFC. *Id.* at 35-36. When Kazran said he did not have that much
5 money, Buchanan told him to "get someone you trust and run it through the corporation." *Id.* at
6 36. He also claims that Farid was present during the conversation. *Id.* at 32, 72.

7 Farid, however, does not swear that he heard Buchanan tell Kazran to reimburse VBFC
8 contributions with HNJ funds during this conversation. He swears that (1) he heard Buchanan
9 tell Kazran that he "would have to get more funds for Buchanan's campaign," and (2) it was his
10 understanding "based on subsequent conversations [Farid] had with Mr. Kazran" that Buchanan
11 wanted Kazran to solicit contributions from HNJ employees and then reimburse them with HNJ
12 funds. Farid Aff. at ¶5. So, while Farid's affidavit provides evidence that is consistent with
13 some details to which Kazran also testified, it lacks first-hand testimony on the most important
14 point: whether Buchanan told Kazran to reimburse contributions at HNJ in 2006.

15 **C. The 2007 Instructions to Reimburse Contributions**

16 There is corroboration of Kazran reimbursing contributions at HNJ in 2007, but not of the
17 allegation that Buchanan directed them. Kazran's testimony as to such reimbursements was:

18 But on the second time, in fact, she [Lephart] was at the office when I was talking
19 to Mr. Buchanan. And at the time in 2007, or 2008, was the second one, the
20 company was not doing very good, so—and she was not very happy about us
21 writing those large amounts of checks.

22 Kazran Depo at 22. He also testified:

23 And that — and the second time that he was running, we were in the process of
24 buying the Kia dealership. But, you know, I was a pretty good partner, if you
25 will, with Mr. Buchanan, so he always — he always said, I'm counting on you
26 now. You're the only one that can raise this kind of money. Make sure you get it.
27 Make sure you get it.
28
29

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1
2 There would be times that Mr. Buchanan would call me in a week's time several
3 times. I mean, very aggressively too. I mean, I remember having two, three
4 phone calls in a two, three-day period.
5
6 Now, if you guys go and check the close of reporting, that quarterly reporting,
7 you'll see that, you know, at the beginning you get a small amount, but then
8 towards the end of it he would always expect us to do more.
9
10 Kazran Depo at 53-54. Kazran further testified:
11 Q.: Mr. Kazran, going back to the previous testimony that you've made today,
12 isn't it true that you were initially approached by Mr. Buchanan who instructed
13 you --
14
15 A.: Every time.
16
17 Q.: -- to reimburse your employees with the company money and contribute to his
18 campaign?
19
20 A.: Right. He said get somebody you trust, run it through the corporation. And
21 Josh Farid was present there.
22
23 *Id.* at 72. Again, Buchanan denies that he ever discussed reimbursing contributions at HNJ.
24 Buchanan Depo at 93, 98-99.
25 Lephart's affidavit also describes reimbursements at HNJ "sometime in 2007." She
26 swore that Kazran approached her and told her that HNJ employees needed to contribute to
27 VBFC and be reimbursed with HNJ funds. She claimed she told Kazran she was upset that
28 company money was going to be used to reimburse contributions, but Kazran responded only
29 with a shrug. See Lephart Affidavit.
30 What is missing from both Kazran's testimony and Lephart's statement is specific, direct
31 evidence that Buchanan told Kazran to reimburse contributions in 2007. Kazran testifies only
32 that Buchanan told him to get more contributions, and he was aggressive about it. Kazran Depo
33 at 53-54. He obliquely indicated that these contributions were also accomplished through a
34 trusted person, Lephart. *Id.* at 22. Lephart testifies only that Kazran told her to reimburse more

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1 contributions at HNJ, she told Kazran she was upset about it, and Kazran only shrugged. Kazran
2 also testified ambiguously about how Buchanan instructed him to reimburse contributions "every
3 time," but he seems to be referring to times when Farid was present, and Farid was not present
4 during the 2007 conversation he had with Buchanan. Kazran Depo at 72. As there is insufficient
5 direct evidence that Buchanan directed Kazran to reimburse contributions at HNJ, we next
6 considered the circumstantial evidence.

7 **V. SOME OF THE CIRCUMSTANTIAL EVIDENCE IS CONSISTENT WITH**
8 **KAZRAN'S VERSION OF EVENTS, BUT OTHER EVIDENCE IS CONSISTENT**
9 **WITH THE DENIALS OF BUCHANAN AND HIS ASSOCIATES**

10 As described more fully in the General Counsel's Brief, there was a series of events from
11 2005 to 2008 that relates to Kazran's allegation that Buchanan directed him and other partners in
12 his businesses to reimburse contributions. The circumstantial evidence does not sufficiently
13 corroborate Kazran's testimony to overcome our recent concerns with his credibility because in
14 many cases, the evidence is consistent with the denials of Buchanan and his associates.

15 **A. Testimony That Shortly After Buchanan Announced his Candidacy in 2005, One of**
16 **his Associates Suggested that Employee Contributions Could be Reimbursed**

17 Buchanan announced to his partners at a meeting in late summer 2005 that he was
18 running for Congress. Buchanan partner Steve Silverio testified to a conversation that happened
19 during a lunch in August or September 2005 that followed that meeting. According to Silverio,
20 Buchanan's COO Dennis Slater suggested that contributions to Buchanan's campaign could be
21 reimbursed, and Buchanan's CEO John Tosch "just sat there." Silverio Depo at 46-47.

22 In response, Respondents cite Tosch's general denial of any knowledge that Buchanan or
23 his agents suggested reimbursing contributions and Slater's testimony that he did not know about
24 any contributions that had been reimbursed until he heard about them in the media. Reply Brief
25 at 14-15; Tosch Depo at 36; Slater Depo at 68. Respondents also assert that Silverio testified
26
27

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1 that Buchanan never alluded to reimbursing dealership employees, and Silverio was biased
2 against Buchanan. *See* Reply Brief at 15, note 8; Hearing Tr. at 10. In addition, before the
3 probable cause hearing, we identified and disclosed to the Respondents Silverio's prior
4 statement, made during an informal interview before his deposition, that the Buchanan officer
5 who authorized the reimbursements was either Tosch or Slater and that Buchanan was present
6 when one of his top officers gave that instruction. Letter dated December 9, 2010. In contrast,
7 during his deposition, Silverio testified that it was Slater who stated that partners could
8 reimburse their employees through payroll, and Silverio did not place Buchanan at this
9 discussion. *See* Silverio Depo at 46-47. Further, we disclosed to Respondents that Silverio
10 stated during his interview that after the end of his partnership with Buchanan, he was at one
11 time motivated to sue Buchanan or take their dispute to the media, but an attorney talked him out
12 of it. Letter dated December 9, 2010.

13 We believe that Silverio's deposition testimony remains credible. First, Silverio testified
14 in a way that eliminated Buchanan's involvement in this incident, which is inconsistent with a
15 bias against Buchanan. Respondents' claim that that Silverio's initial desire to sue Buchanan or
16 go to the media shows bias against Buchanan, but it is hard to understand how Silverio's ultimate
17 refusal to do these things in the past shows that he must have been biased against Buchanan
18 when he testified as to what Slater said and Tosch heard. Further, whether it was Tosch or Slater
19 who authorized the partners to reimburse employee contributions, Silverio consistently claimed
20 that a top Buchanan officer suggested that partners could reimburse employee contributions.
21 Finally, both Slater and Tosch have reason to deny that the incident Silverio described happened.

22 Even so, this incident is of limited value in supporting Kazran's testimony about
23 Buchanan. Silverio testified that Buchanan was not present during the conversation, and that he

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1 never heard Buchanan suggest that partners could reimburse employee contributions. Silverio
2 Depo at 61. In addition, no other Buchanan partner who we contacted stated that he heard
3 Buchanan authorize reimbursed contributions.

4 **B. Fundraising Pressure**

5 As described more fully at pages 9-15 of the General Counsel's Brief, there was also
6 testimony and documentary evidence that beginning in 2005, Buchanan and his associates
7 pressured his minor partners to raise contributions, especially towards the end of quarterly
8 reporting periods, that Buchanan's campaign tracked these contributions, and that Buchanan was
9 more involved in these activities than he was willing to admit during his deposition.
10 Respondents argue that all of this activity was normal and legal, and Buchanan's lack of recall
11 about these events is understandable, given the passage of time. Reply Brief, 16-18, 22-24. We
12 think the evidence here is ambiguous because it is consistent with both Kazran's contentions of a
13 wider reimbursement scenario and Respondents' claim of normal campaign activity.

14 **C. Employee Reimbursements at the Venice Nissan Dealership in 2005 and the**
15 **SunCoast Ford Dealership in 2007**

16 Last year, the Commission found probable cause to believe that contributions in
17 September 2005 were reimbursed at Venice Nissan ("VN"), a Buchanan-controlled dealership,
18 and the relevant respondents conciliated with the Commission. See General Counsel's Report #6
19 in this matter. There is, however, no information that Buchanan was personally involved with
20 these reimbursements.
21

22 In 2007, another Buchanan dealership, SunCoast Ford, reimbursed \$18,400 in
23 contributions to VBFC made by its operating partner, Gary Scarbrough, and three employees.
24 See GC's Brief at 15-16, Reply Brief at 20-21. Respondents' *sua sponte* submission in this
25 matter did not mention these reimbursements. See Reply Brief, Exh. 9. Respondents do not

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1 contest that SunCoast Ford reimbursed these contributions, that they learned of the
2 reimbursements in 2007, or that they did not voluntarily disclose this fact to the Commission.
3 Reply Brief at 20-21. Respondents rely upon Scarbrough's testimony that he did not recall
4 ordering the reimbursements. *Id.* at 7. They also maintain that VBFC's refund of the reimbursed
5 contributions was in line with Commission regulations and standard operating procedure for
6 political campaigns. *Id.* at 21.

7 Regarding Scarbrough's claim he did not recall ordering the reimbursements, we note
8 that Scarbrough responded that he either did "not recall" or did "not remember" over 100 times
9 during his deposition, which lasted a little more than two hours. See Scarbrough Depo, *passim*.
10 As discussed below, Scarbrough remembered more during his informal interview, so we do not
11 consider his testimony particularly credible. In addition, after the SunCoast Ford
12 reimbursements were revealed, neither Scarbrough nor any other SunCoast Ford employee was
13 disciplined for using company funds to contribute to VBFC, Tosch Depo at 51, nor have
14 Buchanan's businesses instituted new policies nor issued guidance to Buchanan's partners and
15 employees about contributing to VBFC. Tosch Depo at 52.

16 Respondents' contention that VBFC complied with Commission regulations when it
17 refunded the reimbursed SCF contributions is essentially true. Nonetheless, in response to a
18 question at the hearing why VBFC only disclosed the HNJ reimbursed contributions in its *sua*
19 *sponte* and not the SCF reimbursed contributions, counsel for VBFC responded that CREW had
20 filed a complaint on August 19, 2008, alleging reimbursed contributions at VN, and it wanted the
21 Commission to understand "all of the outstanding issues." Hearing Tr. at 31-33. Counsel also
22 stated that the HNJ reimbursed contributions were more recent than the SCF reimbursed
23 contributions and that HNJ was "a completely different fact pattern." *Id.* at 31-32. Counsel for

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1 Buchanan noted that VN never admitted wrongdoing, and he distinguished SCF from HNJ by
2 asserting that Scarbrough "believed he could engage in the activity that occurred there" and that
3 it was a "mistake." *Id.* at 35-36. Ultimately, counsel's explanation appeared to be that, in
4 contrast to the Buchanan subordinates involved in the VN and SCF contribution reimbursements,
5 Kazran was the only Buchanan partner who admitted guilt. *Id.* at 36. We believe the *sua*
6 *sponte*'s exclusion of the SunCoast Ford reimbursements is in tension with counsel's claim at the
7 hearing that the *sua sponte* was filed to help the Commission understand "all the outstanding
8 issues."

9 Related to evidence of reimbursements at other Buchanan-owned dealerships is the
10 testimony from Salvatore Rosa, a former financial officer for a Buchanan-owned company, that
11 Buchanan had asked him in the early 2000's to help one of Buchanan's business partners receive
12 a reimbursement for a political contribution using the funds of the company Buchanan owned
13 with that partner. Rosa Depo at 20-21. According to Rosa, when he told Buchanan that doing so
14 would be illegal, Buchanan told him to "finesse it" and ended the conversation. *Id.* at 21-22.
15 Buchanan denies this event happened, and in their Reply Brief, Respondents provide reasons
16 why they believe that Rosa is an unreliable witness. See Buchanan Depo at 73-74, Reply Brief at
17 12-14, and Section VI.B.3 below. In response to a question at the hearing, Buchanan's counsel
18 stated that the phrase "finesse it" could be interpreted in different ways and that Buchanan might
19 interpret such a statement differently than Rosa did. Hearing Tr. at 25-26. Respondents did not
20 offer any examples of alternative interpretations.

21 The Commission found probable cause to believe that VN and a senior manager
22 reimbursed employee contributions, and there is no dispute that SCF reimbursed employee
23 contributions. These incidents are consistent with Kazran's testimony of a reimbursement

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1 scenario at HNJ, another Buchanan-owned business. There is, however, no evidence directly
2 linking Buchanan to these situations. Rosa's testimony, however, links Buchanan to such a
3 scheme, although it is outside the statute of limitations. Even so, it is evidence that is consistent
4 with Kazran's claim that Buchanan asked him to reimburse contributions at HNJ.

5 **D. Kazran and Farid's 2008 Emails**

6 In 2008, the business relationship between Buchanan and Kazran deteriorated as
7 Kazran's dealerships began experiencing financial difficulty. As a result, Kazran and Farid sent
8 a series of emails to Buchanan, his CEO John Tosch, and one of Buchanan's attorneys in late
9 summer and early fall of 2008 seeking to resolve the business dispute, and in some cases, asking
10 for Buchanan's help. Kazran also sent Tosch copies of the contribution checks of HNJ
11 employees and the HNJ checks given to those employees to reimburse them for their
12 contributions. See Tosch Depo Docs 000018-38.

13 The first Kazran email, dated August 26, 2008, and sent to Buchanan, mentioned
14 Kazran's support of their partnership and stated "I am the only one in our group that has donated
15 over 80k to [Buchanan's] campaign." Tosch Depo Docs 000058-59. It stated that Kazran and
16 Buchanan appeared to be at the end of their partnership, but Kazran hoped for an "amicable,
17 clean and speedy exit strategy." *Id.* at 000058.

18 The next day, Farid sent an email to Tosch in which he expressed frustration with
19 Buchanan because Buchanan was seeking to sue Kazran after "this dealership" [HNJ] had
20 supported his campaign "to a tune of \$80K" at Buchanan's request. Farid Aff. at Exh. 1. He
21 also expressed frustration with Kazran. *Id.* In his affidavit, Farid explained that he sent this
22 email, in part, because he felt that Buchanan was taking advantage of Kazran by expecting him
23 to use dealership funds to reimburse employee contributions to VBFC. Farid Aff. at 1-2.

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1 On September 8, 2008, Kazran sent an email to Tosch either just before or just after
2 receiving a demand letter for \$2.5 million from Buchanan. In the email, Kazran stated:
3 this is the 1st set of checks, there are more to follow, It gives me great regret to
4 have done this for Vern when he doesn't even hesitates [sic] for a second to sue
5 me and my wife over 20k . . . Maybe he can consider taking part of this 80k+ as
6 one month of payment so my wife doesn't cry out of fear of losing [sic] our
7 home. I thank Vern for giving me permission to set aside my moral character . . .
8
9 Tosch Depo Docs 000028. Tosch testified that Kazran sent this email and the checks to him the
10 day or the day after Buchanan sent him the demand letter seeking \$2.5 million on a loan
11 Buchanan had made to Kazran. Tosch Depo at 92-96. According to Tosch, this email shows the
12 amount of dealership money that Kazran claimed he used to reimburse employee contributions
13 at Buchanan's direction. See Tosch Depo at 71; see also Tosch Depo Docs 000028, 000049,
14 000056, and 000058-59.
15 On October 1, 2008, Kazran sent an email to Buchanan attorney Roger Gannam about
16 terms on which Buchanan and Kazran might settle their business dispute. That email contained
17 the following:
18 Vern had mentioned he would want to reimburse the stores a bill that he and I
19 spoke of, the total amount is \$83500, He has copies of 52k, if he likes I can get
20 the rest or he can verify through his record. This was at his request
21
22 Tosch Depo Docs 000049.
23 Finally, on October 5, 2008, Kazran sent an email to Tosch, which appears to
24 reflect settlement discussions he was having directly with Buchanan. In that email,
25 Kazran stated:
26 Vern and I will talk about the last part without attorneys[sic], I think I have a
27 suggestion that will make him happy . . . He wants to cut a check for all the
28 amount, I have about 70k tracked down the rest are credit cards, if he wants to
29 verify, I have to call the campaign mgr to ask her for details, if you can have
30 someone do that I would appreciate it.
31

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1 Tosch Depo Docs 000056.

2 Respondents maintain that Kazran's 2008 emails were both (a) about the reimbursements
3 for which Kazran did not want to take responsibility, Reply Brief at 19, and (b) not about
4 reimbursements but, as Tosch testified, about attorney's fees. Reply Brief at 9-10. Respondents
5 do not clearly explain this difference. In support of their claim that the "52k" Kazran referred to
6 in his October 1, 2008, email was a reference to Kazran's attorney's fees, Respondents rely on
7 Tosch's deposition testimony. Reply Brief at 9-10; Tosch Depo at 92-96. Kazran recently
8 confirmed in a letter that he and Buchanan were indeed discussing Buchanan possibly paying
9 Kazran's attorney's fees of \$50,000. Reply Brief, Exh. 1.

10 Although the emails contained discussions about attorney's fees, they also appear to
11 discuss Kazran's reimbursement of contributions at HNJ and his discussions with Buchanan
12 about repaying those funds. What is not clear is whether these emails closely support Kazran's
13 claim that Buchanan told him to reimburse these contributions with HNJ funds, or that Buchanan
14 agreed to repay these amounts. The language in the emails is vague on these points, and none of
15 them state that Buchanan was aware that Kazran was reimbursing contributions or that Buchanan
16 ordered him to do so.

17 **E. The Affidavit that Buchanan's Attorneys Asked Kazran to Sign**

18 Another piece of circumstantial evidence in this matter is that on October 2, 2008,
19 Buchanan and Tosch made an offer to Kazran to settle their dispute that required him to sign an
20 affidavit regarding the reimbursement of contributions at HNJ. This affidavit stated, among
21 other things, that neither Buchanan nor Kazran knew anything about the reimbursed
22 contributions. This affidavit was attached to a settlement proposal Buchanan's counsel drafted,
23 which Buchanan and Tosch signed. Kazran Depo at 56, Exhs. 2 and 3. Kazran testified that the

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1 affidavit was false, and that Buchanan made its execution a condition of that October 2, 2008,
2 offer to settle their differences. Kazran Depo at 63, 70-72. He stated that Buchanan told him "if
3 I did not sign the affidavit, to blame everything on me, then there would be no agreement and
4 contract to purchase out the dealership and give me back the money." *Id.* at 63. This affidavit is
5 potentially significant because it could demonstrate that Buchanan was attempting to conceal his
6 involvement in the reimbursement scheme.

7 Respondents claim that the affidavit is "entirely true." Reply Brief at 20; *see also*
8 Probable Cause Hearing Transcript at 37. Contrary to Respondents' claims, the affidavit is not
9 "entirely true." Paragraph 5 of the affidavit states that before September 2008, Kazran had no
10 information that HNJ had reimbursed individuals for contributions made to VBFC. This
11 provision contradicts one of Respondents' key claims in the case--that Kazran alone directed the
12 reimbursements at HNJ during the '06 and '08 cycles. See Hearing Tr. at 7-8. It also contradicts
13 Kazran's undisputed testimony that he reimbursed contributions at HNJ in 2005, 2006, and 2007.
14 See Section IV, above. Further, at the time the affidavit was drafted, Kazran had already sent the
15 reimbursement checks to Tosch, who discussed Kazran's allegations with Buchanan's attorneys.
16 Tosch Depo at 71-72 (noting that Kazran discussed the reimbursements during a call that took
17 place the day of, or the day before, Kazran sent the checks to Tosch by email); Tosch Depo Docs
18 000028 (September 8, 2008, email from Kazran to Tosch containing HNJ reimbursement checks
19 and the contribution checks that were reimbursed). Finally, Buchanan and Tosch gave different
20 reasons why the affidavit was necessary. Buchanan claimed that the affidavit was needed
21 because Tosch told him that Kazran was trying to leverage more money in the financial dispute,
22 but Tosch claimed that the affidavit was needed based on a conversation Buchanan had with

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1 Kazran on October 1, 2008. *See* Buchanan Depo at 165-68; Tosch Depo at 111. Tosch testified
2 that he was unaware of the subject of the conversation. Tosch Depo at 111-12.

3 Buchanan testified to having almost nothing to do with the affidavit and remembering
4 little about it. Buchanan Depo at 164, 166-67, 173. He claimed he did not remember signing the
5 settlement proposal to which the affidavit was attached, that it was not his idea to have Kazran
6 sign the affidavit, that he did not know who prepared the affidavit, that he had no part in drafting
7 it, that he had never seen it before his deposition, and that he never discussed it with Tosch. *Id.*
8 at 164, 166-67. He denied knowing if Kazran ever signed the affidavit. *Id.* at 173. Respondents
9 assert that Buchanan was understandably unable "to remember the precise details of a document
10 he had never seen[.]" Reply Brief at 20.

11 Buchanan's lack of recall about the affidavit, or the events surrounding it, does not seem
12 credible. It is improbable that Buchanan's attorneys drafted the affidavit and presented it to
13 Kazran without Buchanan's involvement considering that (1) the affidavit did not concern the
14 subject of the commercial negotiations, but rather Buchanan's knowledge of reimbursed
15 contributions to VBFC, and (2) it was presented to a former Buchanan partner who, according to
16 Respondents, was threatening to go to Buchanan's political opponent or the Commission before
17 the 2008 election with his allegation that Buchanan ordered him to reimburse contributions.

18 To some extent, the affidavit contradicts the testimony of both Kazran and Buchanan.
19 Respondents claim that affidavit is true, but it is not. Kazran claims that the affidavit "blame[s]
20 everything on me," but it does not. Kazran Depo at 63. Thus, it does not provide strong
21 corroboration for either.

22

23

1 **F. The Testimony of Buchanan and his Associates on Background Issues**

2 On a number of background issues, the testimony of Buchanan and his associates
3 is not particularly credible. Although these inconsistencies diminish the credibility of
4 Buchanan and his associates, they do not necessarily corroborate Kazran's testimony.

5 In their Reply Brief, Respondents claim that there is "unassailable, independent
6 proof that Congressman Buchanan actively instructed against reimbursement of
7 contributions," Reply Brief at 11, even though there is little corroborative evidence and
8 more contrary evidence. During his deposition, Buchanan asserted that he made it clear
9 to Kazran and others that they could not reimburse contributions, and that VBFC sent a
10 letter to partners informing them that they could not reimburse contributions. Buchanan
11 Depo at 34, 58-59, 93-94. Buchanan's testimony is at odds with the testimony of Kazran
12 and Silverio, *see* Kazran Depo at 87-88 (testimony that he was unaware that reimbursing
13 contributions was illegal), Silverio Depo at 46-47 (claiming that Buchanan's COO
14 Dennis Slater told him in 2005 that he could reimburse contributions and that Silverio did
15 not know the rules or the laws of campaign finance). Buchanan's testimony is also
16 internally inconsistent, contradicted by a statement in an interview of the former VBFC
17 treasurer Nancy Watkins that she was unaware of any documents prepared for
18 Buchanan's business partners regarding campaign finance law, and not supported by the
19 documents actually produced by VBFC.

20 Similarly, Buchanan testified that he could not remember "one way or the other"
21 whether he ever asked Kazran to fundraise for VBFC for the '06 election. Buchanan
22 Depo at 89. There is evidence that Buchanan did ask, and it raises legitimate questions as
23 to Buchanan's credibility that he could not admit this innocuous fact. *See* Gruters Depo

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1 at 38-39 (testifying that Buchanan asked his partners for contributions during the 2006
2 election). Despite not remembering whether he asked Kazran to fundraise in 2006,
3 Buchanan was certain that he told Kazran not to reimburse contributions. *See* Buchanan
4 Depo at 93-94, 110. These two statements are largely inconsistent with each other, and
5 are inconsistent with the other evidence.

6 Also, Silverio and Gruters testified that Buchanan discussed his campaign with
7 his partners at the monthly partner meetings, which Buchanan regularly attended.
8 Silverio Depo at 16-17, 27-28; Gruters Depo at 32, 50-51. Buchanan and his top
9 deputies, Tosch and Slater, appeared to have contradicted one another as to whether
10 Buchanan attended partner meetings during his campaign and whether his campaign was
11 discussed at those meetings. *See* Buchanan Depo at 26, 51, 114; Tosch Depo at 28;
12 Slater Depo at 47-57. However, Gruters' and Silverio's testimony were consistent with
13 Kazran's account.

14 Buchanan testified that he did not report an individual partner's fundraising goal
15 back to the campaign, the campaign did not track fundraising goals, and that he could not
16 "imagine saying anything" to his campaign about what his partners agreed to raise.
17 Buchanan Depo at 41, 56. Further, Buchanan testified, "I don't know what anybody has
18 raised." *Id.* at 110. However, this testimony is contradicted by the testimony of Gruters
19 and documents produced by VBFC. The campaign maintained lists showing the amounts
20 that Buchanan's partners had committed to raise, or what they had raised so far, Gruters
21 Depo at 42-43, 97, 109, and Buchanan himself would follow up with partners to see how
22 they were progressing with their fundraising. *Id.* at 38-39, 42, 109-111. VBFC produced
23 an email listing \$58,300 in contributions from various individuals received by VBFC on

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1 September 27, 2007, including \$9,200 from Kazran and his wife. VBFC initially
2 produced this email on June 25, 2010, but redacted the recipients' email addresses,
3 including Buchanan's, as "non-responsive." VBFC 000361. After Buchanan's
4 deposition, Respondents produced this document in unredacted form, revealing that the
5 email was sent to Buchanan.

6 Faced with the inconsistencies between Buchanan's testimony and that of the other
7 witnesses and records regarding these issues, Respondents concede that Buchanan's memory
8 may have "imperfections" or contains "minor memory lapses" that pertain to events years before.
9 Respondents also contend that these inconsistencies and lapses are not meaningful, and they
10 relate to legal activity. Reply Brief at 16-18. We do not insist that any witness have perfect
11 recall of past events to be considered credible, but we think that Buchanan's inability to
12 remember basic facts as to these uncontroversial, routine issues detracts from his credibility.
13 Nevertheless, these inconsistencies on background issues do not necessarily show that Buchanan
14 directed Kazran to reimburse contributions.

15 VI. RESPONDENTS' ARGUMENTS ARE NOT FACTUALLY ACCURATE

16 While we do not, for the reasons stated above, recommend finding probable cause, we
17 believe it is necessary to show that three arguments raised in the Reply Brief are factually
18 incorrect. In their brief, Respondents contend that "three fatal flaws" prevent the Commission
19 from finding probable cause in this matter: OGC (1) "relies exclusively on the testimony of one
20 unreliable witness and his relative," (2) "conveniently omits exculpatory evidence that
21 contradicts OGC's ultimate conclusion," and (3) "contorts commonplace, lawful fundraising
22 practices into evidence of wrongdoing." Reply Brief at 1.

23

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1 A. **OGC Relies on More Than One Witness and his Relative**

2
3 As discussed above, other witnesses, including Lephart, Rosa, and Silverio—none of
4 whom are related to Kazran—gave testimony that was consistent with parts of Kazran's
5 testimony. As discussed above, to some extent, Buchanan and his associates also corroborated
6 aspects of Kazran's testimony.

7 Respondents assert that Farid is not credible because he is Kazran's brother-in-law and
8 partner. Reply Brief at 6-7. The fact that Farid is Kazran's brother-in-law and business partner
9 does not make Farid's sworn testimony inherently biased or unreliable, nor does it affect the
10 extent to which the remainder of the evidence may support Kazran's (and Farid's) testimony.
11 Also, Respondents rely significantly on an unsworn email from Buchanan's sister-in-law Yvonne
12 Buchanan stating that "We've never reimbursed anyone." See Reply Brief at 15 and VGB 002.
13 Further, her statement was inaccurate because by the time of her email, there was no dispute that
14 VBFC knew that contributions at SunCoast Ford had been reimbursed by the dealership and
15 subsequently refunded by VBFC at the direction of its treasurer. Accordingly, it is hard to see
16 why Ms. Buchanan's email statement is significant.

17 Respondents also contend that Kazran has a substantial motive to fabricate his testimony
18 to receive lenient treatment from the Commission, having admitted illegal activity. Reply Brief
19 at 3-4. Kazran has not received lenient treatment from OGC, as we recommended that the
20 Commission make knowing and willful findings against Kazran at the RTB and Probable Cause
21 stages, and we recently recommended that the Commission sue Kazran, which it did. See *FEC v.*
22 *Sam Kazran a/k/a Sam Khazrawan, et al.*, No. 3:10-cv-01155-UATC-JRK (M.D. Fla.)
23 (complaint filed December 17, 2010). We note that Buchanan, a sitting Representative, also has
24 a motivation to avoid a probable cause determination that he and his committee violated the Act.

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1 Respondents also seek to undercut Kazran's testimony by citing allegations from
2 Buchanan's lawsuit against Kazran and pending bankruptcy proceedings as truth, even though
3 these matters are not final. Respondents allege that Kazran's credibility is diminished because
4 he did not repay a loan from Buchanan to Kazran and that Kazran allegedly diverted funds
5 intended for one dealership to support a different dealership and for other purposes. *See Reply*
6 *Brief* at 5-6. Litigation between Buchanan and Kazran has been ongoing for over two years.
7 The Commission is in no position to resolve the allegations in those matters, and for now, those
8 allegations are just that: allegations.

9 **B. Exculpatory Information Was Disclosed to Respondents**

10 Respondents received exculpatory information, some in the GC's Brief, some in the
11 depositions, and some shortly before the December 9, 2010, probable cause hearing.

12 **1. The HNJ Response Document**

13 As evidence that Buchanan was not involved with the HNJ reimbursements, Respondents
14 relied significantly on a statement in an unsworn document Kazran submitted to OGC styled as
15 the HNJ Response to the Commission's Subpoena ("HNJ Response"). In Kazran's answer to
16 subpoena question 27, Kazran omits Buchanan's name from a list of HNJ partners, officers, and
17 managers whom he claimed knew about the reimbursed contributions. *Heming Tr.* at 9-10, 37;
18 *HNJ Response* at 5. Kazran submitted this document on October 2, 2009, which was after he
19 stated during interviews on July 15 and 16, 2009, that Buchanan instructed him to reimburse
20 contributions and before he testified under oath during a deposition on November 6, 2009, that
21 Buchanan instructed him to reimburse contributions. Kazran Depo at 13, 21, 37, 72.

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1 We understand why Respondents might think this unsworn document² is significant
2 because they may be unaware that we interviewed Kazran before he submitted that statement,
3 and in that prior interview, he claimed that Buchanan directed the reimbursements at HNJ.
4 Further, it is likely Kazran understood the relevant question as referring only to current HNJ
5 partners, not a past partner such as Buchanan. Accordingly, this document is not significant.

6 As a final note, Respondents assert that we provided this document two days before the
7 hearing, and they are correct. However, it was an oversight, we provided the document
8 immediately when it was called to our attention, and the Respondents' prominent use of the
9 document suggests that they suffered little harm.

10 *2. Information in the GC's Brief and Contentions Made in the Reply Brief*
11

12 Respondents contend that OGC omitted significant exculpatory evidence from its Brief.
13 See Reply Brief at 12. Respondents contend that Salvatore Rosa's testimony that Buchanan
14 directed him to reimburse a business partner's contribution in the early 2000's is not credible and
15 that Rosa has not worked for Rep. Buchanan for eight years. Reply Brief at 12-14. However,
16 OGC clearly identified the time period in which Rosa warned Rep. Buchanan that reimbursing
17 dealership employees was illegal, and did not imply that Rosa knew anything about the current
18 allegations. Moreover, the statute of limitations has nothing to do with when Buchanan knew
19 reimbursing contributions was illegal, and that knowledge is relevant to the analysis of whether
20 his alleged violations were knowing and willful.

21 Respondents also contend that Slater, Buchanan's former COO, provided "significant
22 exculpatory testimony." Reply Brief at 15-16. Respondents' characterization suggests that they
23 view as exculpatory any person's testimony – here, Slater's – that their own contributions to

² Counsel for Buchanan inaccurately referred to the HNJ Response as a sworn statement. Hearing Tr. at 37.

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1 VBFC were not reimbursed or that Buchanan never told them to reimburse contributions, *see*
2 Hearing Tr. at 10-11, even if their contributions are not at issue in this case. Respondents even
3 asserted that Dennis Slater's opinion that "the reimbursement allegations smell like retribution
4 rather than fact" is exculpatory evidence, which it is not. Hearing Tr. at 11. In any event, Slater
5 was represented by Buchanan's attorney for his dealerships during his deposition and a full
6 transcript of his deposition testimony was provided to Respondents at the time we provided
7 Respondents with OGC's brief.

8 *3. Information Provided to Respondents Prior to the Probable Cause Hearing*
9

10 Just before the probable cause hearing, we provided to Respondents three pieces of
11 information obtained during informal interviews. Letter dated December 9, 2010. We have
12 already discussed one of these pieces, which relates to a difference between Silverio's interview
13 and deposition testimony. *See* Section V.A., above. While there may be differences of opinion
14 as to whether all the material in the letter is exculpatory, we do not think that the information is
15 particularly significant and, as already noted, Respondents used the information at the hearing.

16 Another piece of information was a statement from Rosa's interview that he did not trust
17 Kaaran. However, Respondents argue for three pages that Rosa himself should not be believed,
18 *see* Reply Brief at 12-14. We do not think that Rosa's general impression of Sam Kaaran is
19 particularly probative.

20 Finally, the information provided from Joseph Scarbrough's interview regarding the
21 circumstances of his being reimbursed by SunCoast Ford for his contribution to VBFC was
22 actually inculpatory, not exculpatory, because it impeached his testimony (he appeared to
23 remember more during his interview than at his deposition), and Respondents relied on
24 Scarbrough's testimony.

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C. Lawful Fundraising Practices Are Not Cited as Evidence of Wrongdoing but Rather Provide Relevant Context

Respondents correctly point out that the following actions are legal: soliciting business partners for contributions, seeking contribution "bundlers," tracking contributors, focusing on quarterly reporting, and choosing to raise funds from individuals instead of self-funding. See Reply Brief at 22-24. OGC did not allege that any of these practices constituted violations of the Act; rather, they provide relevant background, context, and corroborating details for Kazran's testimony, and provided examples of instances in which Buchanan's testimony did not appear to be accurate or consistent, even as to innocuous and routine activity.

VII. CONCLUSION

The evidence in this case comes close to supporting a finding that it is more likely than not that Respondents violated both §§ 441f and 441a(f). However, new information raises significant concerns regarding the credibility of Kazran, the principal witness in this case, and there is no testimony or documentary evidence sufficiently corroborating his testimony that Buchanan instructed him to reimburse employee contributions at HNJ, a claim that Buchanan directly denies. While there is some other evidence in the record that is consistent with Kazran's general allegations, other evidence supports Buchanan's denials or is ambiguous. Accordingly, we recommend that the Commission take no further action against these respondents.

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VIII. RECOMMENDATIONS

1. Take no further action as to Representative Vernon G. Buchanan, Vern Buchanan for Congress and Joseph Gruters, in his official capacity as treasurer, and close the file as to these respondents.
2. Approve the appropriate letters.

1/25/11
Date

Christopher Hughey by *Stephen Gura* with permission
Christopher Hughey
Acting General Counsel

Stephen A. Gura
Stephen A. Gura
Deputy Associate General Counsel for Enforcement

Mark Allen
Mark Allen
Assistant General Counsel

Jack Gould
Jack Gould
Attorney

Michael A. Columbo
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EXHIBIT 10

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OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

MEMORANDUM OF INTERVIEW

IN RE: Dennis Slater
REVIEW NO.: 11-7565
DATE: October 25, 2011
LOCATION: Lindell Investments Inc.
402 Knights Run Ave.
Tampa, FL 33602
TIME: 10:40 a.m. to 11:40 a.m. (approximate)
PARTICIPANTS: Paul J. Solis
Kedric L. Payne

SUMMARY: Dennis Slater (the “witness”) is the Vice President and Chief Financial Officer of Lindell Investments Inc. OCE requested an interview with the witness and he consented to an interview. The witness made the following statements in response to our questioning:

1. The witness was given an 18 U.S.C. § 1001 warning and consented to an interview. The witness signed a written acknowledgement of the warning, which will be placed in the case file in this review.
2. The witness is currently the Vice President and Chief Financial Officer of Lindell Investments. He has been employed with the company for approximately one year.
3. He was the Chief Operations Officer and Corporate Controller for the Buchanan Automotive Group (“BAG”) from approximately 2003 to 2005. BAG consisted of approximately twelve automobile dealerships.
4. He left BAG when Representative Vern Buchanan began selling his dealerships during his first congressional campaign.
5. As COO and Controller, the witness was responsible for creating budgets and forecasts and interacting with the various dealerships. The Controllers for each dealership reported to the witness.
6. The witness reported to Representative Vern Buchanan and John Tosch, who was Vice President and Chief Executive Officer for BAG.
7. The witness first met Representative Buchanan when Carl Lindell introduced them to discuss a potential business relationship between Representative Buchanan and the witness.

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8. The witness described the nature of his relationship with Representative Buchanan as a business relationship.
9. When the OCE asked when the witness most recently communicated with Representative Buchanan, the witness paused for an exceptionally long period of time. He then said that his most recent communication was eight or nine months ago. This communication occurred during an in-person meeting at the Sarasota Club.
10. During the meeting, the witness and Representative Buchanan discussed Sam Kazran. The witness told the OCE that he offered to talk with Mr. Kazran on behalf of Representative Buchanan to help resolve a "business dealing" between the two.
11. The witness has known Mr. Kazran since 2003 and would usually see him once per month when Mr. Kazran was an operating partner of one of the car dealerships.
12. The business dealing was related to a car dealership where Mr. Kazran defaulted on a loan. The witness told the OCE that Representative Buchanan had loaned Mr. Kazran a substantial amount of money and Mr. Kazran had diverted the funds and defaulted on the arrangement, yet Mr. Kazran wanted more money from Representative Buchanan. The witness stated that he discussed with Mr. Kazran the claims against Representative Buchanan and told Mr. Kazran to move on.
13. The witness stated that based on his understanding of the loan agreement, Representative Buchanan's description of the facts was correct and Mr. Kazran's description of the facts was a "figment of his imagination."
14. The witness also discussed with Mr. Kazran his lawsuits against Bank of America and offered "friendly advice" to him.
15. The witness described Mr. Kazran as a highly emotional person who "manufactures things in his mind." He stated that the automobile dealer business has a reputation for manipulation and that Mr. Kazran fit that perfectly.
16. The witness told the OCE that he first began acting as an intermediary between Mr. Kazran and Representative Buchanan about a year and half ago after he offered to help. He stated that Representative Buchanan had no "malicious intent" towards Mr. Kazran.
17. The witness told the OCE that Mr. Kazran is motivated by his need for \$5 million to restart a dealership and that Mr. Kazran had asked the witness to reach out to others for the money. He needs this abnormal amount of money to start a dealership because "he had burned his bridges with everyone in the industry."
18. The witness stated that the last time he spoke to Mr. Kazran as eight to nine months ago. At that time, Representative Buchanan told the witness that he wasn't going to keep paying money to Mr. Kazran although he was willing to help him as a "humanitarian."
19. When asked why he made campaign contributions to Representative Buchanan in 2005, the witness told the OCE that he wanted to support Representative Buchanan and he was excited about him running for office.

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20. The witness was not directed to attend fundraisers or to make contributions to Representative Buchanan's campaign while at BAG business meetings. Campaign contributions were not a topic at the meetings.
21. The witness stated that he attended eight to ten fundraisers for Representative Buchanan.
22. The witness told the OCE that he "absolutely" did not receive any reimbursements for any contributions that he made to Representative Buchanan's campaign nor was he told by Representative Buchanan that he would get his money back.
23. The witness told the OCE that he was familiar with Mr. Kazran's FEC deposition testimony, which states that Representative Buchanan asked the witness to contribute to his campaign and offered to reimburse the contribution. The witness stated that Mr. Kazran's statements in the deposition are false and that Representative Buchanan did not offer to reimburse him for a campaign contribution. The witness also stated that he did not solicit any contributions for Representative Buchanan's campaign.
24. The witness said he was not aware of anyone receiving reimbursements for campaign contributions and that he did not authorize anyone with the company to reimburse anyone for campaign contributions.
25. He stated that he did not discuss the deposition testimony with Mr. Kazran.
26. The witness did not have any ownership interest in any of the car dealerships affiliated with Representative Buchanan.
27. He stated that he was not asked by Representative Buchanan to submit any type of affidavit.
28. The witness told the OCE that Mr. Kazran has never substantiated his allegations. He knew all the individuals that were allegedly involved and if there were any financial misdealing, it would have been the witness' responsibility, and he has never been implicated.

This memorandum was prepared on November 29, 2011, based on the notes that the OCE staff prepared during the interview with the witness on October 25, 2011. I certify that this memorandum contains all pertinent matter discussed with the witness on October 25, 2011.

Kedric L. Payne
Deputy Chief Counsel